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British Columbia Utilities Commission

1999 Annual Report

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Vancouver, B.C.
June 2000

To the Lieutenant Governor in Council

MAY IT PLEASE YOUR HONOUR:

Pursuant to Section 13 of the Utilities Commission Act, we respectfully submit this report on the activities of the British Columbia Utilities Commission for the calendar year 1999.

Peter Ostergaard

PETER OSTERGAARD
Chair

Lorna R. Barr

LORNA R. BARR
Deputy Chair

Introduction

The British Columbia Utilities Commission is an independent regulatory agency of the Provincial Government operating under and administering the *Utilities Commission Act*. The Commission's primary responsibility is the regulation of the energy utilities under its jurisdiction to ensure that the rates charged for energy are fair, just and reasonable, and that utility operations provide safe, adequate and secure service to their customers. It approves the construction of new facilities planned by utilities and their issuance of securities. The Commission's function is quasi-judicial and its Decisions and Orders may be appealed to the Court of Appeal on questions of law or jurisdiction.

The Commission participates in the review of utility and energy projects under the Environmental Assessment Act ("EAA"). Most utility projects reviewable under the EAA also require the issuance of Certificates of Public Convenience and Necessity by the Commission. The Commission also reviews, evaluates, and reports on energy related matters referred to it by Cabinet: this review process usually involves public hearings followed by a decision or a report and recommendations to the Lieutenant Governor in Council.

1999 Regulatory Highlights

Regulatory proceedings before the Commission included:

- West Kootenay Power's Access Principles and Transmission Access applications (Decisions dated March 10, 1999; Orders No. G-27-99 and G-28-99).

- BC Gas' December 11, 1998 Certificate of Public Convenience and Necessity Application for the Southern Crossing Pipeline Project (Decision dated May 21, 1999; Order No. G-51-99 and CPCN No. C-11-99).

- 1999 Rate of Return on Common Equity for a Benchmark Utility Review (Decision dated August 26, 1999; Order No. G-80-99).

- B.C. Hydro's Reliability Management System (Order No. G-73-99).

- B.C. Hydro's Price Dispatched Curtailment Program (Order No. G-115-99).

- Pacific Northern Gas' 1999 Revenue Requirements for all Divisions, and the Negotiated Agreement on the 1998 Cost of Service Allocation and Rate Design Study for Fort St. John and Dawson Creek (Negotiated Settlement Order No. G-58-99 and Negotiated Agreement Order No. G-65-99).

- Centra Whistler's 1999 Revenue Requirements, 1998 Actual Results and 1999 Propane System Expansion Plan (Negotiated Settlement Order No. G-33-99).

Electricity Market Developments

The Commission has been implementing competitive options into the electricity markets over the past several years to provide opportunities for some customers to reduce their electricity costs and to respond to requirements for electricity trade with United States customers. B.C. Hydro provides wholesale transmission access, real time pricing tariffs and an opportunity for industrial customers to participate in curtailment programs to take advantage of high electricity market prices elsewhere. West Kootenay Power was the first utility in Canada to offer both wholesale and retail access to customers.

Alternative Dispute Resolution/Negotiated Settlement Process

In 1999 most utility applications were resolved using an Alternative Dispute Resolution process. BC Gas' 1998 Southern Crossing Pipeline Project application, West Kootenay Power's Transmission Access and Access Principles applications and the Rate of Return on Common Equity for a Benchmark Utility were reviewed through oral public hearings. B.C. Hydro's Bypass Rate Guidelines were reviewed through a written hearing process.

While the Commission continues to view the Negotiated Settlement Process: Policy, Procedures and Guidelines ("NSP Guidelines") as a valuable tool that complements the existing regulatory process, some concerns and suggestions for improvement have been communicated to staff and the Commission. Moreover, the Commission is aware that other regulatory jurisdictions have adopted differing approaches to some elements of the NSP. In response to these concerns and the commitment made by the Commission during the West Kootenay Power Access Principles and Transmission Access applications hearing, the Commission wrote to interested parties requesting comments on its 1996 NSP Guidelines (Letter No. L-53-99; October 13, 1999). Comments were received from interested parties and reply comments to the December 15, 1999 submissions were filed on January 21, 2000.

Revisions to the NSP Guidelines are planned for the summer of 2000.

Return on Common Equity ("ROE") Mechanism

The formula-driven method of determining the ROE for regulated utilities was established by the Commission in 1994 and updated in 1997. The Commission was the first regulator in Canada to adopt an automatic adjustment mechanism and now many tribunals have adopted such measures to add predictability to ROE determinations and to avoid costly public hearings. The mechanism provides for an annual recalculation to reflect changes in market circumstances. The rates were recalculated in December 1998 to implement appropriate rates of return for 1999.

A public hearing was held in June 1999 to review the mechanism to determine if it can be improved. A brief summary of the Commission's August 26, 1999 Decision can be found in Appendix 3 of this report.

Incentive Regulation

In past Decisions the Commission has instituted direct utility and shareholder incentives for cost efficiencies that do not negatively affect the quality of service. Incentives allow for longer periods between reviews and align the interests of shareholders and ratepayers. An example of incentive-based rates is West Kootenay Power's 1996 three-year settlement with performance factors and utility/customer risk-sharing for each major cost and revenue category. The West Kootenay Power settlement has been extended to a fourth year. More recently, BC Gas' 1998-2000 Performance-Based Rate Application was reviewed in a Negotiated Settlement Process. It anticipates even broader proposals for performance factors and sharing mechanisms. BC Gas' Performance Based Rate Settlement was also extended for a further year to include 2001.

British Columbia Hydro and Power Authority
Price Dispatched Curtailment ("PDC") Program

A PDC Program enables B.C. Hydro and participating industrial customers to share the financial benefits in times of high electricity prices through a temporary curtailment of the customer's electricity consumption.

Following the expiry of the PDC Pilot Program on February 28, 1999, B.C. Hydro filed its detailed evaluation report. Comments on the March 31, 1999 report were requested and received from interested parties. A public hearing was established (Order No. G-91-99) and subsequently cancelled as participants to an October 8, 1999 meeting reached a tentative Settlement Agreement Proposal.

The Commission subsequently approved the Settlement Agreement Proposal and the PDC Program (Rate Schedule 1849) on a permanent basis (Order No. G-115-99).

British Columbia Hydro and Power Authority
Rate Freeze and Profit Sharing Act

The B.C. Hydro Rate Freeze and Profit Sharing Act, 1998, amended section 2 of the Tax and Consumer Rate Freeze Act, freezing the utility's rates from December 10, 1997 to March 31, 2000. The rate freeze was subsequently extended by government to September 30, 2001. The Commission, therefore, will not review B.C. Hydro's 2000/01 revenue requirements and rates.

The Rate Freeze and Profit Sharing Regulation (Order in Council 695/98) states that the "rates" and "fixed charge" portions of B.C. Hydro's rate schedules are frozen. Other terms and conditions of the tariffs can be amended, and new rates for new services not covered under tariffs in existence on December 10, 1997, can be set in accordance with established ratemaking principles. Examples include changes to the terms and conditions of the Real Time Pricing tariff, B.C. Hydro's Price Dispatched Curtailment Program, and Bypass Rate Guidelines.

BC Gas Utility Ltd.
Southern Crossing Pipeline Project

BC Gas applied to the Commission on December 11, 1998 for a Certificate of Public Convenience and Necessity to construct the Southern Crossing Pipeline to meet the winter peak and seasonal needs of its commercial and residential customers. The 610-mm (24-inch) diameter line would extend about 310 km (193 miles) from Yahk, south of Cranbrook, to Oliver.

The Commission's May 21, 1999 Decision found that a new peaking resource may be needed as early as the winter of 2001/02, and that three leading resource options — the Southern Crossing Pipeline, expansions to the Northwest Pipeline in Washington, or a liquefied natural gas plant — would have a similar effect on rates that BC Gas charges its customers. BC Gas, having accepted the conditions contained in Order No. G-51-99, was issued a Certificate of Public Convenience and Necessity for the project on June 22, 1999. A brief summary of the Commission's May 21, 1999 Decision can be found in Appendix 3 of this report.

Assistance to Yukon Utilities Board

Under a contract with the Yukon Utilities Board, Commission staff provided professional and technical services, assisting the Yukon Utilities Board with its regulatory proceedings.

Assistance to Saskatchewan Government

Under a contract the Commission prepared an independent report on proposed natural gas rate increases of Sask Energy for review by a panel reporting to the Saskatchewan Government. Saskatchewan is now moving to establish an independent energy utility tribunal.

Electricity Supply Contract Exemptions

Section 22 of the *Utilities Commission Act* was amended in July of 1998 to allow the Minister to exempt from the provisions of Section 71, by order, persons entering into energy supply contracts for the provision of electricity. Two Ministerial Orders have subsequently been issued:

M-22-9801 exempts from Commission review, contracts entered into by B.C. Hydro or Powerex for electricity before March 31, 2000. It also exempts the projects supplying the electricity from regulation as public utilities (Part 3). The Minister extended the date to which the exemptions applied to September 30, 2001 by Amending Order M-22-9801-A1.

M-22-9803 exempts the Columbia Power Corporation ("CPC"), the Columbia Basin Trust ("CBT") and joint ventures with CPC and CBT from utility regulation with respect to specified projects, including the Waneta upgrade, Keenleyside and Brilliant, and their associated energy supply contracts.

Cost of Gas Pass-Through Approvals

Over the course of 1999 the Commission approved for most natural gas utilities cost of gas pass-throughs ranging from 6% to 15% effective January 1, 1999, and 10% to 13% effective September 1 or October 1, 1999. The Commission reduced the rate increases that were applied for by adopting a forecast of gas prices that was more modest than that proposed by some utilities. The rapid rise in natural gas commodity costs has led to considerable public concern and the ratepayer is often unaware that the commodity portion of their gas utility bills is not regulated.

2000 Anticipated Events

- BC Gas Southern Crossing Pipeline Cost Allocation Application
- Centra Whistler Propane Service Rate Design
- Centra Gas' Vancouver Island/Sunshine Coast Rate Design
- B.C. Hydro Electricity Trade
- Cost of Gas Pass Throughs for regulated Gas Utilities
- BC Gas Unbundling of the Agency, Billing and Collection Transportation Service
- West Kootenay Power 230 kV Kootenay System Development Certificate of Public Convenience and Necessity
- West Kootenay Power 230 kV/Okanagan Reinforcement Certificate of Public Convenience and Necessity
- West Kootenay Power South Slocan Improvements Certificate of Public Convenience and Necessity
- B.C. Hydro Bypass Rate Applications
- Port Alice Gas Inc. 2000 Revenue Requirements Application
- Silverstar Mountain Resort Utilities Ltd. Revenue Requirements
- Pacific Northern Gas Ltd. Revenue Requirements
- Western System Coordinating Council Reliability Management System
- Negotiated Settlement Process Review

APPENDIX 1
STANDARD ABBREVIATIONS

Utility/Applicant

Aquila Canada Corp.	Aquila
BC Gas Utility Ltd. (subsidiary of BC Gas Inc.)	BC Gas
British Columbia Hydro and Power Authority	B.C. Hydro
Centra Gas British Columbia Inc.	Centra Gas BC
Centra Gas Whistler Inc.	Centra Whistler
Central Heat Distribution Limited	CHDL
El Paso Energy Marketing Canada Inc.	El Paso
Federated Pipelines (Western) Ltd.	Federated
Hemlock Valley Electrical Services Limited	HVES
Kanelk Transmission Company Limited	Kanelk
Morrison Petroleum Ltd.	Morrison
Pacific Northern Gas Ltd.	PNG
Pacific Northern Gas (N.E.) Ltd.	PNG (N.E.)
Princeton Light and Power Company, Limited	PLP
Squamish Gas Co. Ltd.	Squamish Gas
Silversmith Light & Power Corporation	Silversmith
Sun Peaks Utilities Co., Ltd.	Sun Peaks
Sun Rivers Services Corp.	Sun Rivers
The Corporation of the City of Nelson	City of Nelson
Trans Mountain Enterprises of British Columbia Limited	TME
Westcoast Energy Inc.	WEI
Westcoast Gas Services Inc.	WGSI
The Yukon Electrical Company Limited	YECL

Other

Agents/Brokers/Marketers	ABM
Allowance for Funds Used During Construction	AFUDC
Alternative Dispute Resolution	ADR
Apartment Customer Rates	ACR
Certificate of Public Convenience and Necessity	CPCN
Competitive Range Rate	CRR
Customer Baseline Load	CBL
Demand-Side Management	DSM
Fully Allocated Cost of Service	FACOS
Gas Cost Reconciliation Account	GCRA
Generation-Related Transmission Assets	GRTA
Large General Service	LGS
Operating and Maintenance	O&M
Rate Stabilization Adjustment Mechanism	RSAM
Real Time Pricing	RTP
Retail Markets Downstream of the Utility Meter	RMDM
Return on Common Equity	ROE
Small General Service	SGS
Southern Crossing Pipeline	SCP
Utilities Commission Act	the Act

APPENDIX 2
REGULATED UTILITIES

Crown-Owned Electric Utility	Service Area
British Columbia Hydro and Power Authority 333 Dunsmuir Street Vancouver, B.C. V6B 5R3	Lower Mainland, Vancouver Island, Central and Northern, B.C. and East Kootenay Regions

Investor-Owned Electric Utilities	Service Area
Hemlock Valley Electrical Services Limited Box 7, Site 2, R.R. #1 Agassiz, B.C. V0M 1A0	Hemlock Valley
Princeton Light and Power Company, Limited Box 700 Princeton, B.C. V0X 1W0	Princeton, Osprey Lake and Missezula Lake Areas
Silversmith Power & Light Corporation Box 369 New Denver, B.C. V0G 1S0	Sandon, B.C.
Silverstar Mountain Resorts Utilities Ltd. P.O. Box 3002 Silver Star Mountain, B.C. V1B 3M1	Silver Star resort community
Sun Rivers Services Corp. #1002 - 1708 Dolphin Avenue Kelowna, B.C. V1Y 9S4	Lot 152, CLSR Plan 78619 Kamloops IR No. 1
West Kootenay Power Ltd. P.O. Box 130 Trail, B.C. V1R 4L4	West Kootenay and Okanagan Regions of B.C.
The Yukon Electrical Company Limited Box 4190 Whitehorse, Yukon Territory Y1A 3T4	Lower Post

Municipally-Owned Electric Utilities*	Service Area
City of Grand Forks Box 220 Grand Forks, B.C. V0H 1H0	Grand Forks
City of Kelowna 1435 Water Street Kelowna, B.C. V1Y 1J4	Kelowna
City of Nelson 502 Vernon Street Nelson, B.C. V1L 4E8	Nelson Area
City of New Westminster 511 Royal Avenue New Westminster, B.C. V3L 1H9	New Westminster

Municipally-Owned Electric Utilities* (continued)	Service Area
City of Penticton 616 Okanagan Avenue East Penticton, B.C. V2A 3K6	Penticton
District of Summerland Box 159 Summerland, B.C. V0H 1Z	Summerland

Investor-Owned Natural Gas or Propane Utilities	Service Area
BC Gas Utility Ltd. 1111 West Georgia Street Vancouver, B.C. V6E 4M4	Lower Mainland, Fort Nelson, Central and Northern Interior, the Kootenays and the Okanagan
Centra Gas British Columbia Inc. 1675 Douglas Street, P.O. Box 3777 Victoria, B.C. V8W 3V3	Sunshine Coast, Powell River, and Vancouver Island north to Campbell River, west to Port Alberni, and south to Victoria
Centra Gas Whistler Inc. 1675 Douglas Street, P.O. Box 3777 Victoria, B.C. V8W 3V3	Whistler (Propane Grid System)
Pacific Northern Gas Ltd. 1400, 1185 West Georgia Street Vancouver, B.C. V6E 4E6	Summit Lake to Prince Rupert and Kitimat
Pacific Northern Gas (N.E.) Ltd. 1400, 1185 West Georgia Street Vancouver, B.C. V6E 4E6	Dawson Creek, Rolla, Pouce Coupe Tumbler Ridge, Fort St. John
Pacific Northern Gas Ltd. 1400, 1185 West Georgia Street Vancouver, B.C. V6E 4E6	Granisle (Propane Grid System)
Port Alice Gas Inc. 201 - 3855 Henning Drive Burnaby, B.C. V5C 6N3	Port Alice (Propane Grid System)
Squamish Gas Co. Ltd. 1111 West Georgia Street Vancouver, B.C. V6E 4M4	Squamish (Natural Gas)
Sun Peaks Utilities Co., Ltd. 1280 Alpine Road Sun Peaks, B.C. V0E 1Z1	Resort area north of Kamloops
Sun Rivers Services Corp. #1002 - 1708 Dolphin Avenue Kelowna, B.C. V1Y 9S4	Lot 152, CLSR Plan 78619 Kamloops IR No. 1

* Only service outside of Municipal boundaries is subject to regulation by the British Columbia Utilities Commission.

Investor-Owned Steam Heat Utility

Central Heat Distribution Limited
720 Beatty Street
Vancouver, B.C. V6B 2M

Service Area

Downtown Vancouver

WEST KOOTENAY POWER LTD.
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Rate Harmonization on Utility Transmission Systems
Order No. G-12-99; Reasons for Decision

Arising out of the pre-hearing conference held to discuss WKP's then-current Transmission Access Application, WKP and B.C. Hydro were directed to file a joint proposal harmonizing the transmission wheeling rates between the two utilities. The objective of harmonization is to eliminate rate stacking or "pancaking" – that is, the payment by customers of two transmission wheeling tariffs on transactions where power is moved between utility service areas. The October 5, 1998 Joint Rate Harmonization proposal consisted of a tariff and power purchase agreement amendments designed to prevent pancaking. To achieve this, customers will be charged only the transmission service rate of the Utility within whose service area the customer taking service is located ("the licence plate approach"). WKP's Rate Schedules 101 and 102 and B.C. Hydro's Rate Schedules 3001 and 3002 were amended so that the transmission rate is set at zero for wheeling to points of interconnection between the two Utilities.

The Commission approved the changes identified as Appendices A, B, and C in the October 5, 1998 Joint Application, subject to review after two years.

WEST KOOTENAY POWER LTD.
Transmission Access Application
Decision dated March 10, 1999; Order No. G-28-99

At the direction of the Commission and as a result of the Commission's April 23, 1998 Decision on B.C. Hydro's Wholesale Transmission Services Application and Order No. G-43-98, WKP refiled its Transmission Access Application ("TAA") on July 31, 1998. The TAA Application dealt with the terms and conditions of non-discriminatory access to the transmission system, and the pricing of transmission services. In particular, WKP applied for an Order under Section 61 of the Act granting transmission service to Wholesale customers, Large Retail customers, Power Marketers, and Independent Power Producers. The TAA Application is modelled on the United States Federal Energy Regulatory Commission ("FERC") pro forma tariff set out in FERC Order No. 888-A, the same model used by B.C. Hydro for its Wholesale Transmission Services Tariff. The TAA was reviewed through a public hearing process with written final argument received thereafter. Following are the Commission's determinations:

The Commission approved the extension of transmission access to WKP's Large Retail customers.

The Commission approved the following for WKP:

1. WKP's proposal to allocate 15 percent of the annual capitalized demand side management costs to the transmission revenue requirement.

2. The proposed Network Integration Transmission Service.

The Commission directed that:

- WKP's river lines 1, 2, 6, 7, 8, 25 and 26 are to be functionalized 100 percent to generation.
- WKP file a long-term discount policy.
- WKP offer all Ancillary Services at embedded cost rates. The rates were approved for those services which WKP's Application anticipated would be provided directly by the Utility.
- WKP charge system average losses.
- WKP file, by December 31, 1999, a report detailing both the status of any single system operator proposal or project, and historical data concerning the use of its open access tariffs.
- All surplus power marketed through this will be charged to "a third party" and that the flow of information to any affiliate be governed by a Code of Conduct comparable to B.C. Hydro's, except where WKP can demonstrate that it would be unreasonable to do so.
- WKP file a transmission system extension and re-enforcement policy applicable to both new and existing load, for customers taking both bundled and unbundled service in all relevant classes.

The Commission declined to order WKP to create an Open Access Council. The Commission also declined to 'grandfather' any of the following agreements with respect to their relationship to the TAA:

a) 1996 Facilities Sharing Agreement
b) Canal Plant Sub-Agreement
c) 1996 Transmission Asset Transfer Agreement

West Kootenay Power Ltd.
Access Principles Application
Decision dated March 10, 1999; Order No. G-27-99

On July 31, 1998 WKP filed its Access Principles Application ("APA") that related primarily to the treatment of generation assets in an open access environment. Although initially reviewed through a negotiated settlement process, the participants to the review requested a public hearing on the APA Proposed Settlement Agreement. The public hearing commenced on February 10, 1999 and concluded on February 12, 1999.

The Commission accepted the Proposed Settlement Agreement ("PSA") with only minor procedural modification. In accepting the PSA, however, the Commission acknowledged that the current average pricing structure faced by utility customers imposes a substantial barrier for alternative suppliers as well as discouraging demand side management. As a result, the Commission requested WKP to work with interested parties to examine alternate rate structures or arrangements that will foster the development of the most efficient supply sources and encourage conservation measures. WKP was directed to file a report on December 31, 1999 that discussed, at a minimum, the progress made in its consultations with interested parities, the Utility's views on possible amendments to the principles embodied in the PSA, and the merit of using rate design measures to promote a competitive generation market in the WKP supply area.

CENTRA GAS WHISTLER INC.

1999 Revenue Requirements, 1998 Actual Results
and 1999 Propane System Expansion Plan
Order No. G-33-99; Negotiated Settlement

Centra Whistler's 1999 Revenue Requirements Application forecasted a 1999 revenue surplus and proposed that the current rates become interim effective January 1, 1999. Centra Whistler also proposed that the commodity charge per gigajoule be decreased by 14.5 percent, from $10.769 to $9.2077, effective April 1, 1999. The 1999 Propane System Expansion Plan involved the lease and installation of four propane storage tanks and the looping of 2.7 kilometres of distribution main. Centra Whistler's applications were reviewed through an ADR process and on March 3, 1999, a settlement agreement was reached. The Commission reviewed the proposed settlement and approved the Negotiated Settlement which included a 1999 revenue surplus of $1,247,095 that resulted in a reduction of the energy charge for all customers of $2.044 per gigajoule, effective January 1, 1999. Any overpayments in rates were refunded, with interest.

WESTCOAST ENERGY INC.
BC GAS SOUTHERN CROSSING PIPELINE PROJECT

Request for Disclosure of the Undisclosed Premiums in the Peaking Gas Purchase Agreements
Order No. G-34-99; Reasons for Decision

Request for Disclosure of the Specified Maximum in the CTS Support Agreement
Order No. G-35-99; Reasons for Decision

As part of its submission on the BC Gas Southern Crossing Pipeline CPCN Application, WEI requested that the Commission direct BC Gas to disclose the undisclosed premiums in the Peaking Gas Purchase Agreements with B.C. Hydro and PG&E Energy Trading, Canada Corporation, and the "Specified Maximum" in the CTS Support Agreement with B.C. Hydro. BC Gas had requested that the specific terms of pricing and supply arrangements be kept confidential when the Agreements were initially filed with the Commission. Prior to making its determination, the Commission sought submissions from BC Gas and other parties regarding the WEI request.

Upon consideration of the Peaking Gas Purchase Agreements and the submissions filed, the Commission directed BC Gas to disclose only the previously undisclosed information in Sections 5.1 and 5.3 of the B.C. Hydro Agreements. All other aspects of the WEI request were denied. The Commission determined that the Agreements included commercially sensitive information and that this information should be held confidential.

With respect to the disclosure of the Specified Maximum in the CTS Support Agreement, the Commission denied WEI's request stating that the disclosure of the Specified Maximum would not be in the public interest and could be harmful to the commercial interests of BC Gas Inc. (a non-regulated corporation).

British Columbia Hydro and Power Authority

A Complaint by Certain Large Industrial Customers regarding
B.C. Hydro's Application to Amend the Real Time Pricing Rate Schedule 1848
Order No. G-41-99; Reasons for Decision

In response to Commission Letter No. L-6-98 requesting comments on the merits of holding a workshop to explore issues surrounding the RTP Program, the Commission received responses from seven (7) interested parties who were concerned with the impact of the one-year limit on returning to RTP. Following the workshop, and in response to Commission staff's March 12, 1999 letter, B.C. Hydro stated that it was prepared to allow customers who left the RTP program within the last 12 months to return subject to certain conditions. Comments on B.C. Hydro's proposal were received from interested parties.

On April 16, 1999, the Commission directed that a waiver of the provision in the Special Conditions contained in Rate Schedule 1848, which states that a customer who terminates RTP service will be subject to a waiting period of one year from the date of termination before the customer can reapply for service, is granted for 1999 only. A customer may exercise this option only once. The specifics of B.C. Hydro's proposal are contained in its letter of March 18, 1999. The waiver was also granted, under the same terms and conditions, for other RTP related schedules.

Related Orders on RTP:

G-76-96 Industrial Services Options Decision
G-114-97 RTP Energy Price Definition
G-55-98 Workshop Notice
G-66-98 Revision of Index Options
L-53-98 Termination of Service Effective Date
G-102-98 Retroactive Account Shift to Rate Schedule 1821
and One-Year Waiting Period for Re-entry into RTP 1848
L-6-99 Workshop Notice

West Kootenay Power Ltd.

Application to Restructure its Street Lighting Rate Schedules
Order No. G-42-99; Reasons for Decision

On March 6, 1998, WKP applied for approval to restructure its Street Lighting Rate Schedule 50 which would provide for cost-based unbundling of the rate into energy, maintenance and capital components and eliminate the averaging of maintenance expenses among customers. On December 1, 1998, WKP filed proposed revisions to Rate Schedule 50 – Street Lighting Service, and Rate Schedule 51 – Outdoor Lighting. A written hearing on the application was established and submissions were received from the City of Kelowna, the City of Rossland, the Village of Keremeos, the Corporation of the Village of Greenwood and the Hedley Improvement District. The City of Kelowna's request that the proposed Street Lighting rates be made interim and that a portion of the charges that WKP had billed the City of Kelowna be reduced on a retroactive basis was denied. Upon consideration of all the evidence filed in the proceeding, the Commission approved WKP's application as filed. In making its determination, the Commission recognized that its decision could have substantial implications for some Rate Schedule 50 customers. In order to provide these customers with a reasonable adjustment period during which they may consider the options available to them, the Commission directed that the amendments sought in WKP's Application would become effective June 1, 1999.

BC Gas Utility Ltd.

December 11, 1998 Certificate of Public Convenience and Necessity Application
for the Southern Crossing Pipeline Project
Decision dated May 21, 1999; Order No. G-51-99
Certificate of Public Convenience and Necessity Order No. C-11-99

BC Gas applied to the Commission on December 11, 1998 for a CPCN to construct the SCP to meet the winter peak and seasonal needs of its commercial and residential customers. The 610 mm (24 inch) diameter line would extend about 310 km (193 miles) from Yahk, south of Cranbrook, to Oliver and was forecast to cost $376 million.

In its May 21, 1999 Decision, the Commission found that a new peaking resource may be needed as early as the winter of 2001/02 and that three leading resource options — the SCP, expansions to the Northwest Pipeline in Washington, or a liquefied natural gas plant — would have a similar effect on rates that BC Gas charges its customers. The Commission found that the Southern Crossing Pipeline offered the highest potential benefit to BC Gas' ratepayers over the long run.

In a letter dated June 15, 1999, BC Gas responded to Order No. G-51-99 stating that it intended to complete the project by November 1, 2000 and that it accepted the other conditions precedent set out in the Order. On June 22, 1999, the Commission issued CPCN Order No. C-11-99 to BC Gas for the construction and operation of the SCP project.

Reasons for Decision were appended to the Order, which included a directive that additions to Rate Base related to the SCP project would be limited to a maximum of 110 percent of the capital cost estimate in the Application, and savings below 90 percent of the estimate would accrue to the shareholder, in accordance with the mechanism set out in the May 21, 1999 Decision. The Commission also required minor amendments to agreements that BC Gas entered into with B.C. Hydro and PG&E Energy Trading.

Return on Common Equity for a Benchmark Utility

BC Gas Utility Ltd., Pacific Northern Gas Ltd., West Kootenay Power Ltd.
Decision dated August 26, 1999; Order No. G-80-99

The Commission's Decision of June 10, 1994 anticipated a review under certain conditions of the automatic adjustment mechanism used to set the allowed ROE for some utilities, and in 1998 requests were received from various parties to re-examine the mechanism to determine if further amendments were required. On June 21, 1999, a public hearing commenced to consider the appropriate ROE for a low-risk benchmark utility and future processes or mechanisms that may be employed to improve the determination of ROE for the Utilities in future years.

Upon completion of the public hearing, the Commission made the following determinations:

1. The equity risk premium for a low-risk benchmark utility is 350 basis points when long Canada yields are 5.5 percent. This premium includes a 50 basis point cushion to cover the risk of dilution and the cost of new share issues in ordinary circumstances. Accordingly, the fair rate of return on equity for a low-risk benchmark utility is 9.0 percent when long Canada yields are 5.5 percent.

2. The current automatic adjustment formula shall continue to be employed, with the following exceptions:

   a) at forecast long Canada yields of 6.0 percent or below, the equity risk premium for a low-risk benchmark utility will be fixed at 350 basis points;

   b) at forecast long Canada yields of greater than 6.0 percent, the current contraction/expansion factor (i.e., the sliding scale) of 0.8 of the difference in forecast long Canada yields shall be retained and shall be driven off a low-risk benchmark utility ROE of 9.5 percent;

   c) to determine the forecast long Canada yield, the period over which the 10- to 30-year spread is to be measured shall be redefined as all the trading days in the October preceding the November Consensus forecast; and

   d) the Commission will canvass interested parties on the need for a review of the automatic adjustment formula when long Canada rates exceed 8.0 percent for a period of at least six months.

British Columbia Hydro and Power Authority
Bypass Rate Guidelines Application
Decision dated September 3, 1999; Order No. G-88-99

On February 2, 1999, B.C. Hydro filed, in accordance with Commission Order No. G-111-98, a Bypass Rate Guidelines Application (Tariff Supplement No. 44) that addressed the potential impacts on the Utility's systems caused by customer rate-switching and which would be available to all general and transmission rate schedule customers. The Bypass Rate Guidelines were reviewed through a written hearing that concluded on June 30, 1999, with the filing of reply argument.

B.C. Hydro did not seek approval of a specific bypass rate form. Instead, Tariff Supplement No. 44 described a set of general principles that B.C. Hydro proposed to apply in determining when to offer a bypass rate to a customer. Each customer's specific bypass rate application would result in a separate application to be filed and approved by the Commission as a special agreement.

The Commission, upon consideration of Application, the evidence, and the argument made before it in this matter declined to accept B.C. Hydro's Application for an Order approving the Bypass Rate Guidelines (Tariff Supplement No. 44). Instead, the Commission issued its own Bypass Rate Guidelines (Attachment A to the Commission's Decision on this matter) to assist parties in the preparation of bypass rate applications to the Commission.

The intent of the Commission Guidelines is to protect all customers on the B.C. Hydro system from having to absorb the costs of stranded assets which may have been built, in whole or in part, to serve the bypass customer. In the Commission's view, such protections were not a part of B.C. Hydro's proposed Tariff Supplement No. 44.

While ensuring the protection of all B.C. Hydro customers, the Commission believes that its Guidelines leave the potential bypass customer financially no worse off under a bypass rate than if it had constructed its own bypass facilities. Specifically, as stated in the Guidelines:

"Where the Customer's Cost of Bypass exceeds B.C. Hydro's Incremental Cost of Service, the customer should be offered the opportunity to switch from Rate Schedule 1211 to Rate Schedule 1821 upon payment to B.C. Hydro of an amount equal to the Customer's Cost of Bypass.

Where the Customer's Cost of Bypass is less than B.C. Hydro's Incremental Cost of Service, the Commission expects that no bypass rate would be offered and the customer would be free to either remain on Rate Schedule 1211 or construct the facilities necessary to qualify for Rate Schedule 1821".

PACIFIC NORTHERN GAS LTD.
PACIFIC NORTHERN GAS (N.E.) LTD. - TUMBLER RIDGE DIVISION
PACIFIC NORTHERN GAS (N.E.) LTD. - DAWSON CREEK/FORT ST. JOHN DIVISIONS
1999 Revenue Requirements and
1998 Cost of Service Allocation/Rate Design Study for Fort St. John and Dawson Creek
Negotiated Settlement Orders No. G-58-99 and G-65-99

1999 Revenue Requirements – All Divisions
Negotiated Settlement Order No. G-58-99

On December 1, 1998 (revised December 15 and 16, 1998), PNG, PNG (N.E.) - Dawson Creek and Tumbler Ridge Divisions, and Centra Gas FSJ filed for Commission approval their 1999 Revenue Requirements Applications ("the Applications") to increase rates on an interim and final basis, effective January 1, 1999, pursuant to Sections 91 and 58 of the Act. The Commission reviewed the Applications and approved interim rate increases effective January 1, 1999.

Following the ADR process the proposed Settlement Agreement was released to the public and the Commission Panel on May 11, 1999, together with Revenue Requirement Schedules and a letter from Commission staff noting agreement among the participants on certain issues reached with respect to PNG ("the Settlement Agreement package"), and Letters of Endorsement from the Participants.

The Commission approved the Settlement Agreement package, which included the following increases:

		Residential Rates (G-58-99)	
		1998 Rates	January 1, 1999 Rates
PNG (West)	Basic Charge	10.75	10.75
	Delivery Charge	2.955	3.176/GJ
	Gas Supply Charge	2.663	2.882/GJ
Tumbler Ridge	Basic Charge	8.50	8.50
	Delivery Charge	2.400	3.007
	Gas Supply Charge	2.114	2.327

Customer refunds included interest calculated at the prime rate of the principal bank with which PNG, PNG (N.E.) and Centra Gas FSJ conducts its business and covered the period from January 1, 1999 to the date of refund.

1998 Cost of Service Allocation/Rate Design Study for Dawson Creek and Fort St. John
Negotiated Settlement Order No. G-65-99

On November 4, 1998, PNG filed its 1998 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study concerning the rates to be charged in the Dawson Creek Division of PNG (N.E.) and Centra Gas FSJ. PNG subsequently filed an updated 1999 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study ("1999 Rate Design Study") on February 3, 1999.

Following the ADR process for the 1999 Rate Design Study, the proposed Settlement Agreement, Letters of Endorsement, and PNG's May 26, 1999 correction to the Settlement Agreement were released to the public and the Commission Panel.

The Commission approved the Settlement Agreement package for PNG (N.E.) - Dawson Creek and Fort St. John Divisions that included the following increases:

		Residential Rates (G-58-99, G-65-99)	
		1998 Rates	January 1, 1999 Rates
Dawson Creek	Basic Charge	5.00	7.00
	Delivery Charge	3.751	1.615
	Gas Supply Charge	2.058	2.352
Fort St. John	Basic Charge	7.00	7.00
	Delivery Charge	1.784	1.813
	Gas Supply Charge	2.017	2.352

Customer refunds included interest calculated at the prime rate of the principal bank with which PNG (N.E.) and Centra Gas FSJ conducts its business and covered the period from January 1, 1999 to the date of refund.

KANELK TRANSMISSION COMPANY LIMITED
Disposal of Utility Assets
Order No. G-127-99; Reasons for Decision
Orders No. G-71-99; G-127-99; Letter No. L-54-99

On June 8, 1999, Kanelk applied for approval to dispose of its utility property in British Columbia and to assign the associated CPCN to B.C. Hydro. Kanelk owned a 138 kV transmission line of approximately 120 km length through the Elk Valley in the East Kootenay region of British Columbia.

A pre-hearing conference was held in Elkford, B.C. to review local government taxation and wheeling issues associated with the proposed sale of the Kanelk electrical transmission facilities. All Intervenors were to advise the Commission whether they had any substantive opposition to the application. The communities indicated that they were satisfied with the Utility sale.

By Letter No. L-54-99, the Commission concluded that an oral hearing would not be required and directed Kanelk to

By Letter No. L-54-99, the Commission concluded that an oral hearing would not be required and directed Kanelk to respond to a Fording Coal Ltd. proposal by October 29, 1999, with further written submissions from Intervenors by November 12, 1999 and final response by Kanelk by November 19, 1999.

Kanelk's Application to dispose of its utility assets in British Columbia and assign the associated CPCN to B.C. Hydro was approved, with Reasons for Decision attached to Order No. G-127-99.

West Kootenay Power Ltd.

2000-2002 Preliminary Revenue Requirements and 1999 Annual Review
Negotiated Settlement; Order No. G-142-99

On November 8, 1999, WKP filed its Preliminary 2000-2002 Revenue Requirements and Incentive Mechanism Review, requesting to set rates for the three-year period beginning January 1, 2000 and ending December 31, 2002.

Following the November 1999 ADR and Negotiated Settlement process, the draft settlement application was approved and WKP was directed to file its Final Rate Application. WKP's Final Rate Application for a 4.9 percent general rate increase to all customer classes was approved effective January 1, 2000.

APPENDIX 4
PROCEEDING DAYS SUMMARY

Applicant	Application	Pre-hearing Conference	Workshop	ADR	Public Hearing	Total Days
PNG and PNG (N.E.) Tumbler Ridge Fort St. John Dawson Creek	1999 Rate Increases	1*		3		4
PNG (N.E.) Fort St. John and Dawson Creek	1998 Cost of Service\ Rate Design	1*		2		2
Centra Gas Whistler	1999 Rate Increase	1		1		2
B.C. Hydro	Transmission Extension Policy		1			1
B.C. Hydro	Real Time Pricing Tariff		1			1
B.C. Hydro	Price Dispatched Curtailment Program	1				1
WKP	Access Principles				2	2
BC Gas	1998 Southern Crossing Pipeline Project - CPCN				8	8
BC Gas, WKP PNG, PNG (N.E.)-FSJ	Return on Common Equity for a Low-Risk Benchmark Utility				3	3
CHDL	City of Vancouver Operating Agreement	1				1
Kanelk	Disposal of Utility Assets to B.C. Hydro	1				1
WKP	Preliminary 2000-2002 Revenue Requirements	1	1	3		5
WKP	CPCN - Upgrade Penticton Substransmission System	Application withdrawn and refiled February 16, 2000				
PLP	CPCN - Princeton Substation	1				1
BC Gas	1999 Annual Review			1		1
Centra Gas BC	2000-2002 Revenue Requirements			2		2
B.C. Hydro	New Industrial Services		1			1
TOTAL DAYS		**7**	**4**	**12**	**13**	**36**

*Shared Day

APPENDIX 5
CUSTOMER COMPLAINTS AND INQUIRIES

Inquiries from Utility Customers concerning Terms and Conditions, Quality of Service, Billing, Payment Requirements, Disconnections, etc.

An important aspect of the Commission's mandate is to apply regulation in a manner that reflects fair, consistent and clearly enunciated standards. Commission staff are available to assist members of the public in dealing with regulated utilities so that problems and inquiries are handled in a prompt, helpful and efficient manner.

Most complaints and inquiries are resolved through discussions between the customer and the utility concerned. Unresolved issues are referred to the Commission. To facilitate communication between the Commission and the customers of regulated utilities wishing to file complaints or have points clarified, toll-free calling from anywhere in the Province is available. The number of complaints and inquiries in 1999 increased to 554 from 415 in 1998. Most of the increase was attributable to 418 complaints associated with the increase in the commodity cost of natural gas.

Summary of 1999 Customer Complaints and Inquiries

BC Gas Utility Ltd.	455
British Columbia Hydro and Power Authority	29
Centra Gas British Columbia Inc.	8
Hemlock Valley Electrical Services Limited	9
Pacific Northern Gas Ltd.	6
Pacific Northern Gas (N.E.) Ltd.	4
Princeton Light & Power Company, Ltd.	5
Silversmith Light and Power Corporation	2
Squamish Gas Co. Ltd.	1
West Kootenay Power Ltd.	35
TOTAL 1999 COMPLAINTS/INQUIRIES	**554**

APPENDIX 6
RECOVERED COSTS

Authority for Cost Recovery

Beginning in 1988, the Commission was authorized to recover its costs from regulated utilities and pipeline companies by fixing levies according to Section 125 of the *Utilities Commission Act* and parameters set out in the Levy Regulation (B.C. Reg. 283/88). The Commission recovers most of its costs from a "per gigajoule" levy assessed on each utility, based on the amount of energy it sold in the previous calendar year. The Commission also bills utilities for its hearings costs that are attributed directly to those utilities. Direct recoveries have varied significantly from year to year, depending on the number and duration of regulatory hearings and inquiries. Minor revenues are also collected from intraprovincial petroleum pipeline companies and from other utility regulatory agencies that contract with the Commission for advice and assistance.

Forecast Levy 1999/2000

The Commission's fiscal year runs from April 1 to March 31. The voted expenditure for the 1999/2000 fiscal year was $3,274,000. Of this, $260,000 was forecasted to be recovered directly from utilities for Commission expenditures directly attributable to their public hearings and other proceedings. This left a net annual budget of $3,014,000 to be recovered from the levy, as identified in the formula below.

$$\frac{\text{Total Expenditure minus Direct Recoveries (\$)}}{\text{Total Utility Energy Volumes sold in previous calendar year (GJ)}} \quad \text{or} \quad \frac{\$3,274,000 - \$260,000}{418,427,000\ \text{GJ}} = \$0.007203/\text{GJ}$$

The Commission's costs were therefore expected to be recovered from a levy of $0.007203/GJ for the fiscal year beginning April 1, 1999, payable in four quarterly instalments. The levy for the last quarter of fiscal year 1998/99 (i.e., January 1 through March 31, 1999) was $0.0070404/GJ.

Levy Billing Adjustments

Lower than forecasted Commission expenditures in the 1998/99 fiscal year resulted in a year-end credit from 1998/99 levy payments of $407,149. These amounts were credited to the first quarter billing for 1999/2000. The second and third quarter billings were at the full levy rate of $0.007203/GJ. The 1999/2000 fourth quarter billings were zero as a substantial end-of-year surplus was projected if the full quarterly levy instalment was collected. An estimated end of fiscal year surplus of $138,422 will be credited to first quarter levy invoices in 2000/01.

The levy amounts recovered from utilities and other revenue sources are shown below for the 1999 Calendar Year and the 1999/2000 Fiscal Year.

	Amounts Recovered	
	1999 Calendar Year (Actual)	1999/2000 Fiscal Year (Actual)
Levy		
British Columbia Hydro and Power Authority	$ 705,295	$ 705,295
BC Gas Utility Ltd.	829,174	
- Lower Mainland Division		533,145
- Inland Division		256,910
- Columbia Division		34,801
- Fort Nelson Division		4,318
Central Heat Distribution Limited	4,283	4,283
Corporation of the City of Nelson	1,133	648
Hemlock Valley Electrical Services Limited	30	23
Centra Gas British Columbia Inc.	107,291	107,291
Centra Gas Whistler Inc.	2,432	2,432
Pacific Northern Gas Ltd.	152,488	152,488
Pacific Northern Gas (N.E.) Ltd.	21,403	21,403
Port Alice Gas Inc.	123	125
Princeton Light and Power Company, Limited	1,218	881
Silversmith Power & Light Corporation	5	6
Squamish Gas Co. Ltd.	1,444	1,444
West Kootenay Power Ltd.	27,799	27,799
The Yukon Electrical Company Limited	16	15
	1,854,134	1,853,307
Intra-Provincial Oil Pipeline and Other Companies		
Federated Pipe Lines (Western) Ltd.	1,000	1,000
Morrison Petroleums Ltd. (name changed to Nevis Ltd.)	1,000	1,000
Newcal Energy Inc.	1,000	1,000
TransCanada Gas Pipeline Ltd. (formerly Novagas Canada Inc.)	1,000	1,000
Trans Mountain Enterprises of British Columbia Limited	1,000	1,000
Westcoast Gas Services Inc.	1,000	1,000
	6,000	6,000
Miscellaneous Revenues		
Commission Contracts with Yukon Utilities Board, Water Branch and Government of Saskatchewan		17,150
TOTAL*	**$1,860,134**	**$1,876,457**
(*excludes direct recoveries and carry-forward credit)		

1999/2000 Revenues and Expenditures

Actual revenues and expenditures for the 1999/2000 fiscal year are summarized below.

Levy Payments and Misc. Revenues	$ 1,876,457
Carry forward credit from 1998/99	407,149
Recovery of proceeding costs from Utilities and miscellaneous	184,396
	$ 2,468,002
Less: Expenditures (unaudited)	2,329,580
Carry forward credit to 2000/01 First Quarter Levy Payment	$ 138,422

APPENDIX 7
DOMESTIC ELECTRICITY SALES - 1999

	Customers #	Revenue ($000)	Sales (GW.h)
CROWN-OWNED ELECTRIC UTILITY			
British Columbia Hydro and Power Authority	1,575,260	2,213,555	44,908.42
MUNICIPALLY-OWNED ELECTRIC UTILITIES			
City of Grand Forks	2,066	2,235	32.14
City of Kelowna	12,085	14,993	276.10
City of Nelson	8,825	8,406	133.33
City of New Westminster	29,870	21,083	365.56
City of Penticton	14,632	15,507	291.92
District of Summerland	4,985	4,388	78.56
Total Municipally-Owned	72,463	66,612	1,177.61
INVESTOR-OWNED ELECTRIC UTILITIES			
Hemlock Valley Electrical Services Limited	220	219	1.51
Princeton Light and Power Company, Limited	2,930	3605	57.66
Silversmith Light & Power Corporation	11	16	0.23
West Kootenay Power Ltd.	85,648	93,923	1,763.51
The Yukon Electrical Company Limited	87	104	0.78
Total Investor-Owned	88,896	97,867	1,823.69
TOTAL ALL ELECTRICAL UTILITIES	1,736,619	2,378,034	47,909.72

NOTES TO APPENDIX 7

1. 1 gigawatt hour (GW.h) = 1 million kilowatt hours.
2. Figures reported are for the 1999 calendar year. Customers reported are as at December 31, 1999.
3. Revenues and sales for B.C. Hydro and West Kootenay Power are net of wholesale sales to other reporting electrical utilities identified in this Appendix.

APPENDIX 8
DOMESTIC GAS SALES - 1999

	Customers #	Revenue ($000)	Sales (GJ)(000)
INVESTOR-OWNED NATURAL GAS UTILITIES			
BC Gas Utility Ltd.			
Lower Mainland Division	524,056	619,794	132,925
Inland Division	205,614	188,823	58,893
Columbia Division	20,778	21,239	7,852
Fort Nelson Division	2,112	2,245	809
Squamish Gas Co. Ltd.	2,008	2,603	347
Centra Gas British Columbia Inc.			
Vancouver Island, Powell River and Sunshine Coast areas	66,318	90,537	27,119
Pacific Northern Gas (N.E.) Ltd.			
Fort St. John and Dawson Creek Divisions	14,464	17,093	4,847
Tumbler Ridge Division	1,206	1,681	552
Pacific Northern Gas Ltd.	23,388	58,285	37,159
Total Investor-Owned	859,944	1,002,300	270,503
INVESTOR-OWNED PROPANE GRID SYSTEM UTILITIES			
BC Gas Utility Ltd.			
Squamish Gas (non-grid)	69	74	7
Revelstoke	1,448	1,846	227
Centra Gas Whistler Inc.	1,782	5,388	610
Pacific Northern Gas Ltd.			
Granisle Grid	180	181	19
Port Alice Gas Inc.	267	263	20
Total Propane Grid Systems	3,746	7,752	883
TOTAL ALL GAS UTILITIES	863,690	1,010,052	271,386

NOTES TO APPENDIX 8

1. 1 gigajoule (GJ) is approximately equivalent to 0.910 mcf (mcf = one thousand cubic feet) or 0.0258 10^3m^3 of natural gas or 0.376 mcf of propane vapour in L.P. gas grid systems.

2. Figures reported are for the 1999 calendar year. Customers reported are as at December 31, 1999.

3. Sales of GJ shown include sales to end-use customers plus gas owned by customers and transported to their industrial operations by utilities.

4. Revenues reported for natural gas utilities include only transportation margins for large industrial customers who have purchased gas supplies directly from producers or aggregators.

APPENDIX 9
PERFORMANCE INDICATORS

Since the 1980s Commission staffing levels have decreased while the number of Orders issued continued to rise. The regulatory workload is difficult to quantify as much of the work relates to complaints and smaller day-to-day oversight.

CHART 1 STAFFING LEVEL

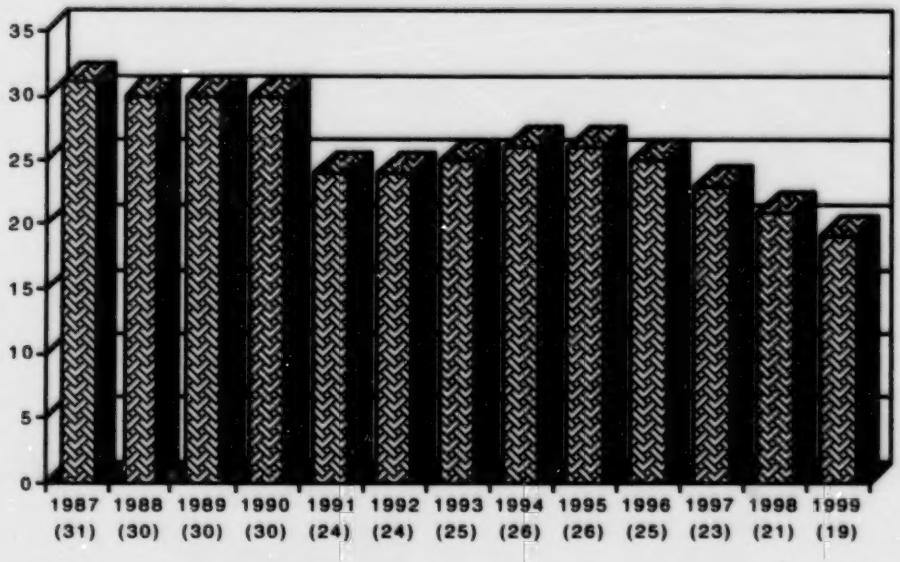
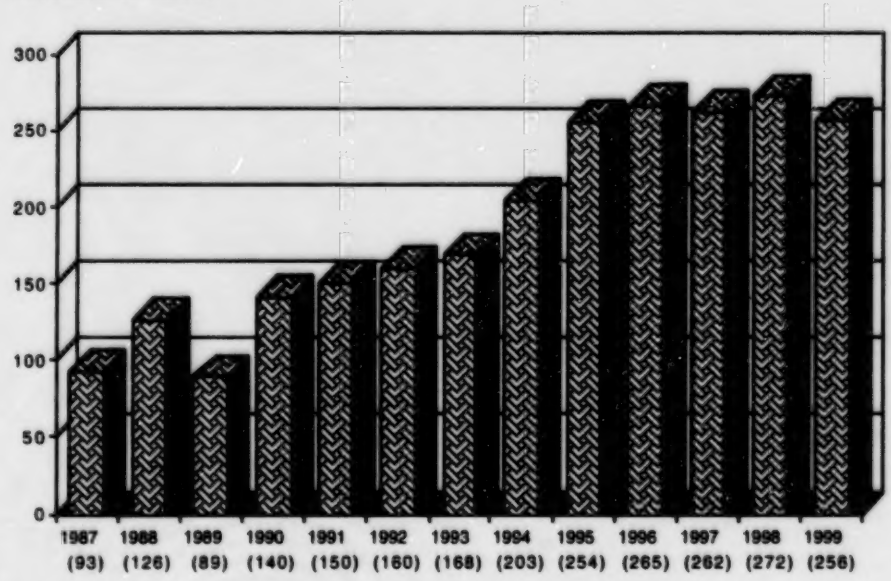


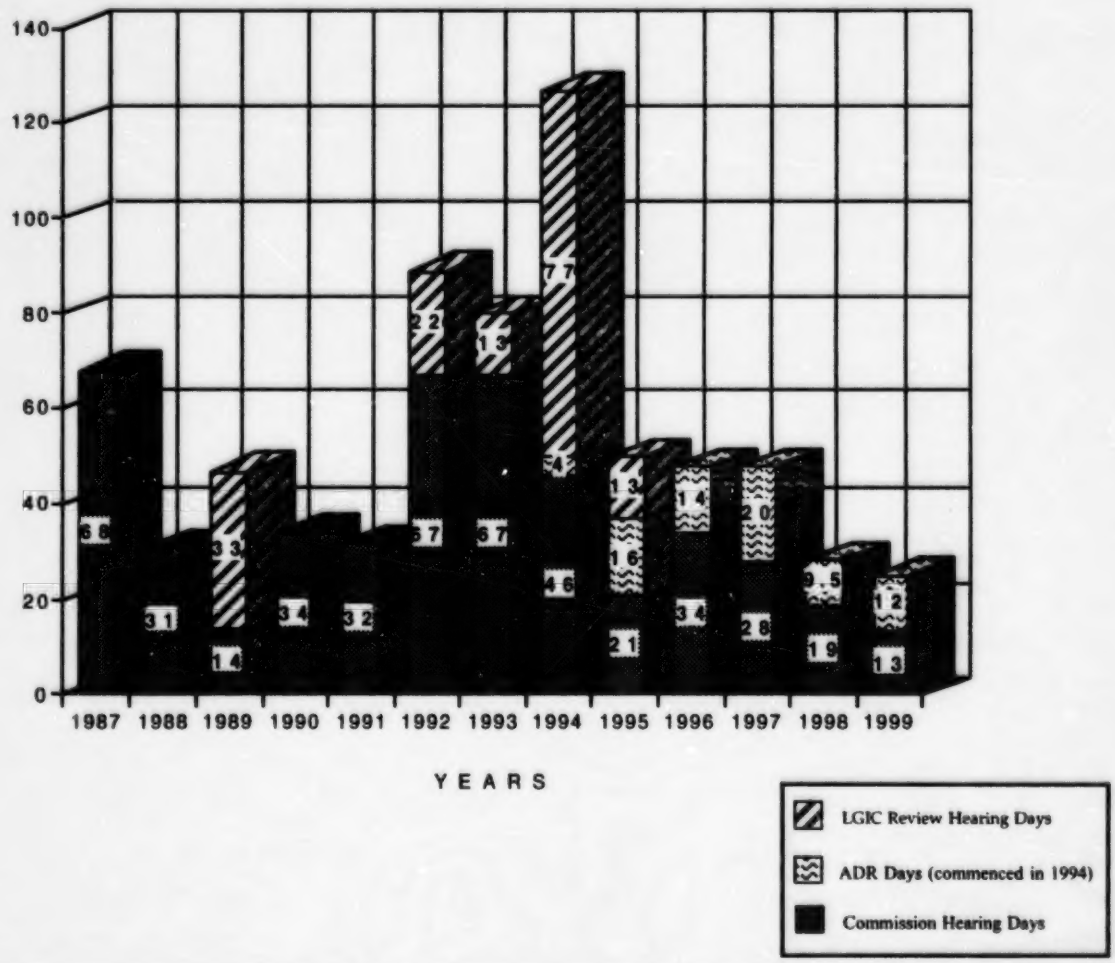
CHART 2 ORDERS ISSUED



The Negotiated Settlement Process is part of the Commission's efforts to improve the quality and efficiency of its regulatory process. Use of the Negotiated Settlement Process, which is also referred to as Alternative Dispute Resolution, still requires considerable staff work before, during and after the negotiations. In October 1999 the Commission began a review of its Negotiated Settlement Process Guidelines that were first issued in 1996. Comments were received from interested parties and reply comments to the December 15, 1999 submissions were filed on January 21, 2000. An updated "Negotiated Settlement Process: Policy, Procedures and Guidelines" is pending.

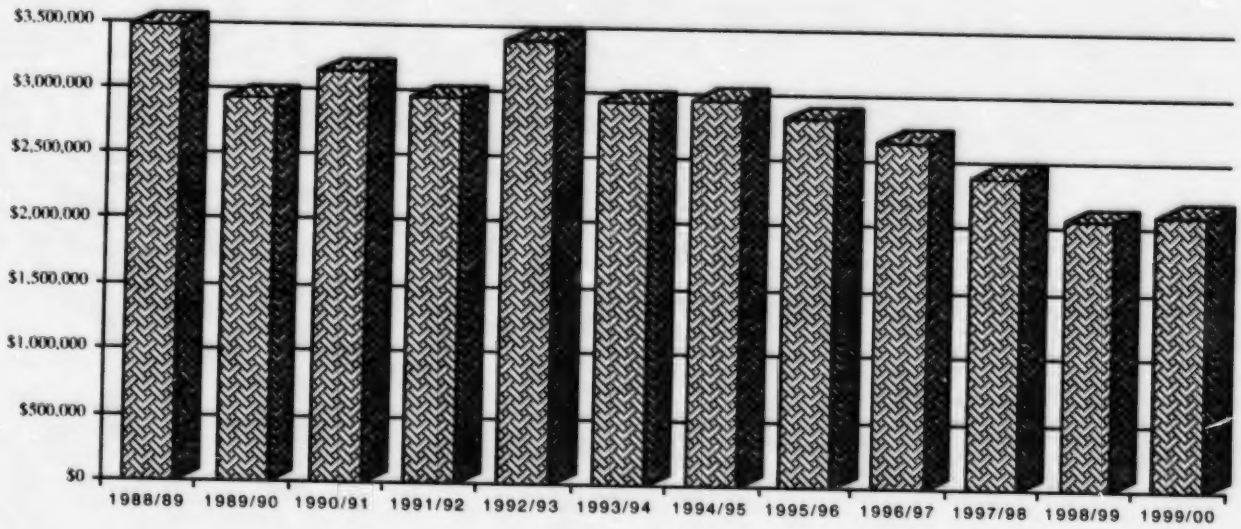
The number of public hearing days continue to decrease, primarily due to the use of Alternative Dispute Resolution, the use of formulas for setting ROEs, and multi-year performance based rate setting (see Chart 3). Matters referred to the Commission by the Lieutenant Governor in Council can have a dramatic affect on the number of hearing days; for example, in 1994 the Kemano Completion Project was reviewed over 77 hearing days.

CHART 3 HEARING DAYS AND ALTERNATIVE DISPUTE RESOLUTION DAYS



For the past nine years, the Commission's budget has been increased only to the extent necessary to cover the general salary increases received by government employees. Other categories have decreased due to the Commission's cost saving efforts, meaning that the total budget has declined in real terms once inflation is taken into account (Chart 4). The most notable expenditure reductions are associated with reduced fees for legal counsel, consultants, part-time commissioners, and court reporters. The Commission's actual expenditures (unaudited) in 1999/2000 were $2,329,580.

CHART 4 COMMISSION EXPENDITURES (1992$)



Over the last several years the B.C. economy and population have grown significantly, leading to increasing numbers of electric and natural gas customers. The cost of regulation per customer has fallen (Chart 5) as has the cost of regulation per Gigajoule of energy sold (Chart 6).

CHART 5 COMMISSION COST PER CUSTOMER (1992$)

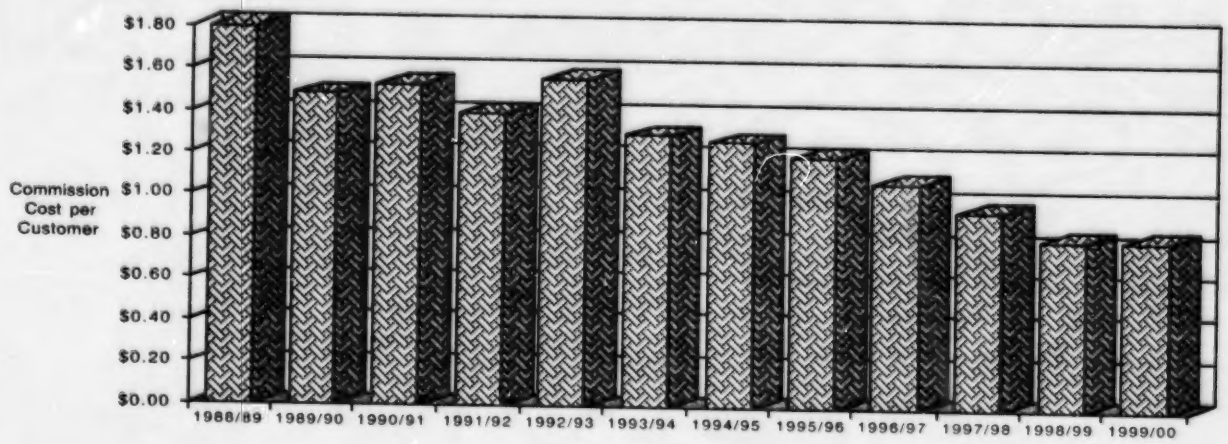
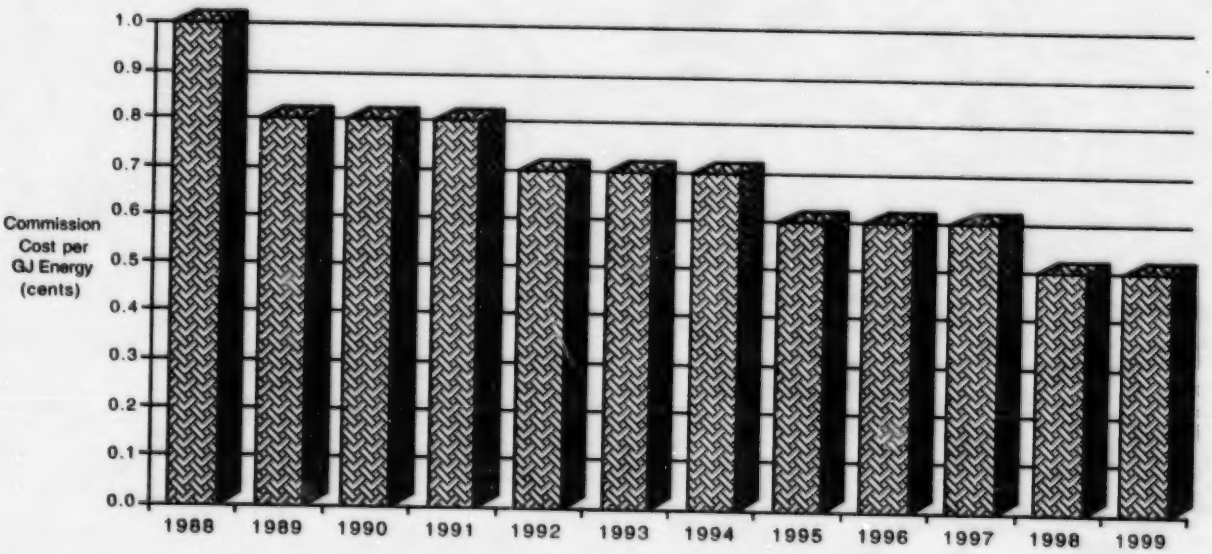


CHART 6 COMMISSION COST PER GJ OF ENERGY SOLD (1992$)



APPENDIX 10
GENERAL ORDERS

ORDER **UTILITY OR APPLICANT(S)**

G-1-99 **B.C. Hydro**

Approved a November 1, 1998 Supplementary Agreement with B.C. Rail under RTP Rate Schedule 1848 with a 75% CBL reduction for the period November 1, 1998 to May 1, 1999.

G-2-99 **Centra Whistler**

Ordered Centra Whistler's current rates to be interim, effective January 1, 1999, and permanent 1999 rates to be set following a public review of the 1999 Revenue Requirement Application. A pre-hearing conference and public information meeting was held in Whistler, B.C.

G-3-99 **B.C. Hydro**

Approved Special Contract, Tariff Supplement No. 34 with Bella Coola Consumers Co-op Association effective December 1, 1998. The Contract allows Bella Coola Consumers Co-op to be billed for electricity up to and including 37,020 kWh per month at the rate established by B.C. Hydro's Rate Schedule 1255. Electricity consumed in excess of 37,020 kWh per month shall be billed under the rate methodology approved by Order No. G-30-98.

G-4-99 **B.C. Hydro**

Approved B.C. Hydro's December 22, 1998 request to withdraw the CPCN Application for Unit No. 4 at its Seven Mile Hydroelectric Project, without prejudicing B.C. Hydro's right to refile a new application when it believes it to be in the public interest.

G-5-99 **WKP**

Directed WKP to continue serving the City of Kelowna with street lighting service under the terms and conditions of the approved Tariff, Street Lighting Rate Schedule 50, pending the outcome of the written hearing review process of WKP's Application to Restructure its Street Lighting Rate Schedules 50 and 51 established by Order No. G-106-98. WKP is to proceed with the necessary maintenance on the City's street lights to bring them to good working order no later than April 30, 1999, and to forego collecting any interest or penalties on any monies relating to past maintenance which the City has held in arrears up to February 1, 1999.

ORDER **UTILITY OR APPLICANT(S)**

G-6-99 **BC Gas**

Approved a Deferral Account to record expenditures up to $227,700 relating to the development of Pro-Forma ABC-T (Agency, Billing, Collection and Transportation) Service Tariffs. The Commission will review the prudency of the actual expenditures and will dispose of the deferral account balance at a future date.

G-7-99 **B.C. Hydro**

Approved Special Agreement, Tariff Supplement No. 41, for B.C. Hydro to deliver 12.5 kV service, under Rate Schedule 1821, from its Esquimalt Substation to the Department of National Defence, Canadian Forces Base Esquimalt.

G-8-99 **PNG, PNG (N.E.), Centra Gas FSJ**

Set down for ADR, the Applications for 1999 Revenue Requirements and the 1998 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study.

G-9-99 **B.C. Hydro**

Approved an exemption from the provisions of Section 45(4) of the Act and Order No. G-44-89 for the relocation of a 230 kV underground cable in the vicinity of Madison Avenue and the Lougheed Highway in Burnaby, B.C.

G-10-99 **Centra Gas BC**

Approved a decrease in Pioneer Class customer rates, of between 8.06% and 9.44%, for ACR-1 customers effective February 1, 1999.

G-11-99 **Squamish Gas**

Approved the December 23, 1998 application to increase ACR-1 rates effective December 1, 1998, and the January 26, 1999 application to decrease ACR-1 rates, effective February 1, 1999.

Order	Utility or Applicant(s)

G-12-99 WKP / B.C. Hydro

Approved the joint rate harmonization proposal for B.C. Hydro and WKP, subject to review after two years, effective immediately. The Commission's Reasons for Decision were attached as Appendix A.

G-13-99 Centra Whistler

Established an ADR process for the review of the 1999 Revenue Requirements Application.

G-14-99 City of Nelson

Approved and accepted for filing the Electricity Utility Amendment By-Law No. 2846, 1999, which will lower the electrical rates to its customers reflecting the rate restructuring in its power purchases from WKP, effective February 1, 1999.

G-15-99 B.C. Hydro

Approved the February 1, 1999 Supplementary Agreement with Federated Co-operatives Limited for RTP service under Rate Schedule 1848, with an adjusted 100% Customer Baseline Load for a one-year period, effective February 1, 1999.

G-16-99 B.C. Hydro

Approved the assignment of rights and interests of Order No. C-13-90 from WEI and Canadian Utilities Limited - International Power Group to B.C. Hydro, effective February 12, 1999.

G-17-99 PNG, PNG (N.E.) - All Divisions

Issued an amended regulatory timetable into the PNG Applications for 1999 Rate Increases and updated 1999 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study to extend the deadline for filing of Information Requests on the Study.

The amalgamation of PNG (N.E.), Centra Gas FSJ and Peace River Transmission will be examined during the ADR process concerning the Cost of Service Allocation/Rate Design Study.

G-18-99 B.C. Hydro

Approved the withdrawal of the Transmission Extension Policy due to the general lack of support as cited in B.C. Hydro's February 3, 1999 letter.

Order	Utility or Applicant(s)

G-19-99 BC Gas

Approved amendments to the Terms and Conditions of Service, including Service Line Cost Allowance and Service Line Installation Fee, effective February 1, 1999.

G-20-99 B.C. Hydro

Approved the February 1, 1999 Supplementary Agreement with Highland Valley Copper Corporation for RTP Service, with a 100% CBL adjustment for energy efficiency improvements, effective for a one-year period commencing February 1, 1999.

G-21-99 BC Gas

Established the public hearing and scope of the review into the BC Gas 1998 SCP Application for a CPCN. Regulatory timetables summarizing the key filing dates and WEI's Request for Disclosure of Information were appended to the Order.

G-22-99 BC Gas

With regard to a Bypass Transportation Agreement between BC Gas and B.C. Hydro, the Commission directed B.C. Hydro to file a written submission providing reasons in support of its request for confidentiality of the "Specified Maximum" in the CTS Support Agreement. Submissions from interested parties on WEI's request for disclosure of this information were also requested.

G-23-99 BC Gas

Amended the regulatory timetable for the SCP proceeding by extending the date for filing additional written evidence and B.C. Hydro's submission on the benefits and costs to its customers of the Peaking Gas Purchase Agreement and the Firm Tendered Transmission Service Agreement. The filing date for information requests was also extended.

G-24-99 B.C. Hydro

Approved a Supplementary Agreement with Fletcher Challenge Canada Limited for RTP service at the Elk Falls Pulp Mill under Rate Schedule 1848, with an adjusted 100% CBL, for a one-year period commencing March 1, 1999.

Order	Utility or Applicant(s)

G-25-99 BC Gas

Approved a tariff variance to Rate Schedule 6 to provide for an NGV Incentive Grant for British Columbia Ferry Corporation in the amount of $300,000, subject to the conditions contained in the Order.

G-26-99 BC Gas, WKP, PNG, Centra Gas - ROE

Established May 31, 1999 as the date for the public hearing into the appropriate ROE and the capital structure for BC Gas, WKP, PNG, and Centra Gas FSJ.

G-27-99 WKP

Accepted the Proposed Settlement Agreement with respect to WKP's Access Principles Application with the notice deadline on page 2 amended to read April 1, 1999.

G-28-99 WKP

Order issued the Commission's Decision on WKP's Transmission Access Application.

G-29-99 BC Gas

Amended Order No. G-21-99 by changing the date by which WEI may file a written reply on the request for disclosure of the undisclosed premiums in the Peaking Gas Purchase Agreements.

G-30-99 BC Gas

Amended Order No. G-22-99 by changing the date by which WEI may file a written reply on the request for disclosure of the "Specified Maximum" in the CTS Support Agreement.

G-31-99 B.C. Hydro

Established a written public hearing process for the review of the Bypass Rate Guidelines Application.

G-32-99 BC Gas

Approved, on an interim basis, BC Gas' application to serve the Greater Vancouver Regional District under Rate Schedule 5 and to implement a Tariff Supplement to the GVRD which will adequately recover the cost of service.

Order	Utility or Applicant(s)

G-33-99 Centra Whistler

Approved the Negotiated Settlement, attached as Appendix A, which includes a 1999 revenue surplus of $1,247,095 resulting in a reduction of the energy charge for all customers of $2.044/GJ (approximately 19%), effective January 1, 1999.

G-34-99 Westcoast Energy Inc.

Ordered BC Gas to fully disclose the previously undisclosed information in Sections 5.1 and 5.3 of the B.C. Hydro Peaking Gas Purchase Agreements in the SCP proceeding. The Commission's Reasons for Decision were attached.

G-35-99 Westcoast Energy Inc.

Denied WEI's request for the disclosure of the Specified Maximum in the CTS Support Agreement. The Commission's Reasons for Decision were attached.

G-36-99 Centra Gas BC

Approved the addition of the following New Customer rate schedules, effective March 1, 1999:

- LGS-20, High Load Factor Rate
- LGS-25, Unauthorized Over-Run Rate
- LGS-26, Authorized Over-Run Rate

Approved the Industrial Gas Sales Agreement with West Coast Reductions Ltd., effective March 1, 1999.

G-37-99 B.C. Hydro

Approved the revised March 1, 1999 Supplementary Agreement with Fletcher Challenge Canada Limited for RTP service at the Elk Falls Pulp Mill under Rate Schedule 1848, with an adjusted 100% CBL, effective for the one-year period commencing March 1, 1999.

G-38-99 ROE - BC Gas, PNG, WKP, Centra Gas, Centra Whistler

Rescinded Order No. G-26-99 and set June 21, 1999 as the date for the public hearing. A regulatory timetable summarizing the key filing dates was attached.

Order	Utility or Applicant(s)

G-39-99 WKP

Approved the General Service Power Contract and Electricity Supply Brokerage Agreement with KPMG Inc., identified as Tariff Supplement No. 6, effective August 21, 1998 through September 30, 1999. This Agreement replaces the 1993 Agreement with Stone Venepal (Celgar) Pulp Inc. at the Celgar pulp mill in Castlegar, B.C.

G-40-99 Centra Gas BC

Approved an increase in rates for Pioneer General Service customers of between 2.03 and 2.30%, and for ACR-1 customers of between 7.90 and 9.41%, both effective May 1, 1999.

G-41-99 Certain Large Industrial Customers of B.C. Hydro

Directed that a waiver of the provision in the Special Conditions contained in Rate Schedule 1848 was granted for 1999 only and approved the specifics of the proposal as set out in B.C. Hydro's March 18, 1999 letter. The Commission's Reasons for Decision were attached.

G-42-99 WKP

Approved an application to restructure Street Lighting Rate Schedules, effective June 1, 1999. The Commission's Reasons for Decision were attached.

G-43-99 Squamish Gas

Approved an increase to oil-based natural gas rates, effective May 1, 1999.

G-44-99 BC Gas

Approved an interim transportation rate of $0.25/GJ for deliveries to B.C. Hydro's Burrard Thermal Generating Station for the period commencing January 1, 1999 and continuing until such time as the Commission deals with the Bypass Transportation Agreement Application.

G-45-99 B.C. Hydro

Set out the strategy for implementing the one-year waiver relating to RTP Rate Schedule 1848, approved by Order No. G-41-99, and for customer reinstatements to the RTP program.

Order	Utility or Applicant(s)

G-46-99 WKP

Approved the following:

- redemption of a $20 million Term Loan with the Bank of Montreal;
- replacement of the $30 million Short-Term Operating Facility with UtiliCorp British Columbia Ltd.;
- placing of a 5-Year Term Loan in the amount of $50 million with UtiliCorp Canada Finance Corp. and its partnership UtiliCorp Canada Finance Partnership; and
- reduction of the Operating Loan Facility with the Bank of Montreal from $20 million to $10 million.

G-47-99 B.C. Hydro

Approved a revised Supplementary Agreement with Fletcher Challenge for RTP service at its Elk Falls Pulp Mill under Rate Schedule 1848, with an adjusted 100% CBL, effective for the one-year period commencing March 25, 1999.

G-48-99 CHDL

Approved the fixing of $7 million of existing debt at the rate of 6.545% with the Royal Bank of Canada for a period of five years, effective December 22, 1997.

G-49-99 Centra Gas BC

Approved the Industrial Gas Sales Agreement with Tayco Paving Company for service to its Cumberland asphalt plant, effective April 14, 1999.

G-50-99 B.C. Hydro

Approved extensions to the relevant Supplementary Agreements for RTP Service for Fiberco Pulp, Quesnel River Pulp, Sterling Pulp Chemicals, and CXY Chemicals (North Vancouver and Nanaimo), for the period December 19, 1998 to August 1, 1999.

G-51-99 BC Gas

The Commission issued its Decision and concurrent Order for the SCP project and agreed to issue a CPCN approving the related agreements, provided BC Gas met the conditions set down in the Order.

Order	Utility or Applicant(s)

G-52-99 Centra Gas BC

Approved a rate increase to Pioneer General Services customers of between 4.68 and 4.81%, and to ACR-1 customers of between 15.76 and 17.20%, effective June 1, 1999. (Rescinded by Order No. G-68-99.)

G-53-99 PLP

Approved an increase in revenue requirements of $10,716, to be applied across the board to the Customer Service Charge and the Customer Access Charge, effective June 1, 1999.

G-54-99 1198184 Ontario Limited

Approved the transfer of the rights and obligations, pursuant to Orders No. G-46-94 and G-62-96, in the Hluey Lakes Generating Facility from the Stikine Nation Power Corporation to 1198184 Ontario Limited.

G-55-99 B.C. Hydro

Approved a six-month extension to the November 1, 1998 Supplementary Agreement with BC Rail Ltd. under RTP Rate Schedule 1848, with a 75% CBL reduction for the period May 1, 1999 to October 31, 1999.

G-56-99 B.C. Hydro

Approved Electric Tariff Supplement No. 42, Special Contract with Old Massett Village Council for use at the Water Pumping Station at Masset, B.C.

G-57-99 B.C. Hydro

Established a workshop and a regulatory timetable into the Price Dispatched Curtailment Program. (Order was subsequently rescinded on June 3, 1999 by Order No. G-64-99.)

G-58-99 PNG, PNG (N.E.) and Centra Gas FSJ

Approved the Settlement Agreement for PNG, PNG (N.E.), and Centra Gas FSJ relating to the 1999 Rate Increase Applications. Customer refunds are to be made with interest, from January 1, 1999 to the date of refund, calculated at the prime rate of the principal bank with which the Utilities conduct their business.

G-59-99 Squamish Gas

Approved an increase for the General Service and ACR-1 customer rates, effective June 1, 1999.

Order	Utility or Applicant(s)

G-60-99 B.C. Hydro

Rescinded the direction contained in Order No. G-43-98 and Letter No. L-77-98 requiring B.C. Hydro to file a long-term discount policy pursuant to Commission's Decision of April 23, 1999.

G-61-99 B.C. Hydro

Approved the extension of service to Meziadin Lake, B.C., and the collection of the required customer contributions by way of a surcharge over existing Electric Tariff rates. B.C. Hydro is to file, in Tariff Supplement format, the calculation and amortization of the surcharge that will be used to bill customers connecting for service.

G-62-99 CHDL

Established dates for a pre-hearing conference and public hearing for the review of proposed Terms and Conditions of a Permanent Operating Agreement with the City of Vancouver.

G-63-99 BCUC

Order approving the levy and recovery of Commission costs for the fiscal year commencing April 1/99 from all regulated utilities, upstream natural gas processors and intraprovincial oil pipelines.

G-64-99 B.C. Hydro

Rescinded Order No. G-57-99 which established a workshop for the development of a permanent Price Dispatched Curtailment Program.

Approved Rate Schedule 1849 on a temporary basis, effective June 1, 1999, until a permanent Price Dispatched Curtailment Program is approved in the fall of 1999. B.C. Hydro was directed to file an application for a permanent Price Dispatched Curtailment Program by August 31, 1999.

G-65-99 PNG, PNG (N.E.) and Centra FSJ

Approved the Settlement Agreement for PNG (N.E.) - Dawson Creek Division and Centra FSJ relating to the 1998 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study. Customer refunds are to be made with interest, from January 1, 1999 to the date of refund, calculated at the prime rate of the principal bank with which the Utilities conduct their business.

Order	Utility or Applicant(s)

G-66-99 PNG(NE), Centra FSJ and Peace River Transmission Company Limited

Order authorizing the amalgamated PNG (N.E.) to give a guarantee, substantially as set out in the form of the Indenture of Guarantee contained in Article XXI of the Trust Indenture, and to grant a floating charge on its assets as security for its obligations under the guarantee, substantially as set out in the form of the Indenture of Guarantee contained in Article XXI of the Trust Indenture.

G-67-99 WKP

Approved an extension to June 30, 2001 of the Revolving Loan Facility with the Bank of Montreal.

G-68-99 Centra Gas BC

Rescinded Order No. G-52-99. Approved an increase in Pioneer General Service rates of between 4.68 and 4.81%, and an increase in the ACR-1 rates of between 8.28 and 9.53%, all effective June 1, 1999.

G-69-99 BC Gas

Approved the pass-through of a decrease of $1.306/GJ to Revelstoke propane customer rates, and a decrease in the reference price of the Deferral Account from $0.1582/litre to $0.1260/litre, both effective July 1, 1999. Approved the removal of the Deferral Account surcharge effective July 1, 1999. The residual credit balance in the Deferral Account is to attract interest at the short-term debt rate and be available to offset future propane cost increases.

G-70-99 Centra Gas BC

Approved Centra Gas' application to conduct an external underwater pipeline inspection of its Vancouver Island Gas Pipeline. A report on the results of the inspection is to be sent to the Commission.

G-71-99 Kanelk

Established a pre-hearing conference to be held in Elkford, B.C. to address Kanelk's application to dispose of utility assets located in the Elk Valley to B.C. Hydro.

G-72-99 BC Gas

Approved the following Agreements for service to B.C. Transit's Port Coquitlam Transit Centre:

Order	Utility or Applicant(s)

- Substitution and Novation Agreement dated December 1, 1998 for the Supply of Natural Gas Compression Services and the Supply and Delivery of Natural Gas.
- Annex A – Natural Gas Compression and Dispensing Service Agreement dated December 1, 1998.
- Annex B – Rate Schedule 6 Natural Gas Service Agreement dated December 1, 1998.

Approved the cancellation of Tariff Supplement No. 19 for NGV service to B.C. Transit.

Compensation paid by B.C. Transit for the cancellation of earlier Agreements should be applied against the undepreciated balance in the B.C. Transit incentive grant account. The Commission will determine the disposition of the residual credit amount at a future date.

G-73-99 B.C. Hydro

Approved the terms and conditions of the proposed Reliability Management System and implementation procedure contemplated by the Western System Coordinating Council and contained in B.C. Hydro's application.

G-74-99 WKP

Established a regulatory agenda, timetable and public hearing for the review of WKP's CPCN Application to upgrade the Subtransmission System through the City of Penticton.

G-75-99 B.C. Hydro

Approved the Special Contract, Tariff Supplement No. 48, with Delkatla Cedar Products Limited, effective May 27, 1999.

G-76-99 Squamish Gas

Approved an amendment to the natural gas tariff to show that the current oil-based natural gas rate schedules were not available to customers served on the Brackendale-Garibaldi Highlands Main Extension, effective June 1, 1999.

Approved new oil-based natural gas rate schedules, including a rate floor, for customers served on the Brackendale-Garibaldi Highlands Extension, effective June 1, 1999.

ORDER **UTILITY OR APPLICANT(S)**

G-77-99 CHDL

Established a regulatory agenda, timetable and public hearing for the review of the proposed Terms and Conditions of a Permanent Operating Agreement with the City of Vancouver.

G-78-99 BC Gas

Approved the July 15, 1999 revised Bypass Transportation Agreement with B.C. Hydro as a Rate Schedule 22 Tariff Supplement, effective November 1, 1999.

Approved the transportation rate of $0.25/GJ, for deliveries to B.C. Hydro at the Burrard Thermal Plant, as permanent for the period September 30, 1998 through October 31, 1999.

G-79-99 Centra Gas BC

Approved an increase in rates to the ACR-1 customers of between 3.38 and 4.10 percent, effective September 1, 1999.

G-80-99 Rates of Return on Common Equity

Decision issued approving the equity risk premium for a low-risk benchmark utility at 350 basis points when long Canada yields are 5.5 percent. This premium includes a 50 basis point cushion to cover the risk of dilution and the cost of new share issues in ordinary circumstances. Accordingly, the fair rate of return on equity for a low-risk benchmark utility is 9.0 percent when long Canada yields are 5.5 percent.

A brief summary of the ROE Decision is on page 9 of Appendix 3.

G-81-99 WKP

Approved the Fourth Revision of Electric Tariff Rate Schedule 90, Sheet 55, relating to the Ground Source Heat Pump Demand Side Management Program, effective August 10, 1999.

G-82-99 BC Gas

Approved the 1999/2000 Gas Supply Mitigation Incentive Program for the 1999/2000 gas contract year commencing November 1, 1999 and ending October 31, 2000.

ORDER **UTILITY OR APPLICANT(S)**

G-83-99 BC Gas

Approved a 10% increase in rates reflecting the higher cost of gas commodity purchases, effective September 1, 1999.

G-84-99 WKP

Cancelled the regulatory agenda, timetable and public hearing process set out in Order No. G-74-99 for the review of WKP's CPCN Application to Upgrade the Penticton Sub-transmission System.

G-85-99 CHDL

Issued an amended regulatory timetable and public hearing process for the review of the Operating Agreement with the City of Vancouver should negotiations between the parties fail.

G-86-99 PNG and PNG (N.E.)

Approved changes to the PNG and PNG (N.E.) Gas Tariff Rate Schedules for PNG-West, Fort St. John and Dawson Creek to reflect a $0.50/GJ increase in the Gas Supply Charge component of core market gas sales rates, effective October 1, 1999.

G-87-99 PNG

Approved a deferral account to record the actual costs of the unplanned 1999 Station R4 compressor overhaul for amortization in the 2000 test year revenue requirements. The Commission's Reasons for Decision were attached to the Order.

G-88-99 B.C. Hydro

Declined to accept B.C. Hydro's application for an Order approving the Bypass Rate Guidelines as Tariff Supplement No. 44. The Commission issued its own Bypass Rate Guidelines to assist parties in the preparation of bypass rate applications to the Commission and issued its Decision concurrently with the Order.

G-89-99 CHDL

Approved an indefinite adjournment of the public hearing and regulatory timetable established by Orders No. G-77-99 and G-85-99, provided that a copy of the executed operating agreement with the City of Vancouver is filed with the Commission for approval.

Order	Utility or Applicant(s)

G-90-99 B.C. Hydro

Approved an amendment to Clause iv of Rate Schedule 1848 - RTP Supplementary Agreement that will allow customers to terminate their agreements effective on the date that written notice to terminate is received, effective September 2, 1999.

G-91-99 B.C. Hydro

Established a pre-hearing conference and a two-phase public hearing for the review of B.C. Hydro's Rate Schedule 1849 - Price Dispatched Curtailment Program. Phase I of the hearing will determine the Commission's jurisdiction to regulate such a program and any modifications to the PDC Program. Phase II will determine if any modifications to the existing PDC Program are warranted by the evidence.

G-92-99 Sun Rivers

Approved an Electric Tariff, including Definitions, Terms and Conditions and Rates for Services covering the electrical distribution utility located near Kamloops, B.C., effective September 1, 1999.

G-93-99 BC Gas

Approved a decrease of $0.129/GJ for Revelstoke customers and a decrease in the reference price applicable to the Revelstoke Deferral Account, from $0.1260/litre to $0.1228/litre, effective September 1, 1999.

G-94-99 WKP

Established a regulatory timetable comprising of a workshop, pre-hearing conference, town hall meeting, and an annual review, for the review of WKP's 2000-2002 Revenue Requirements and Incentive Mechanism proposal.

A further Order defining the remainder of the review process will be issued after the pre-hearing conference.

G-95-99 Squamish Gas

Approved an increase in the ACR-1 customer rates, effective September 1, 1999.

G-96-99 PLP

Approved the July 7, 1999 Credit Agreement amending the credit facilities and long-term debt credit agreement with the Canadian Imperial Bank of Commerce.

Order	Utility or Applicant(s)

G-97-99 WKP

Approved a short-term operating loan from UtiliCorp British Columbia Ltd. in the amount of $15 million that mirrors the material terms and conditions of a short-term credit facility with the Bank of Montreal.

G-98-99 BC Gas

Approved amendments to Rate Schedule 6 - Natural Gas for Vehicles ("NGV") Service, effective September 16, 1999. An annual report on the NGV Grant Program will be filed on a calendar year basis commencing June 30, 2000.

G-99-99 WKP

Approved the January 1, 1998 Waneta Management Amending Agreement which changes the method of WKP corporate overhead recovery from Cominco Ltd., effective January 1, 1998.

G-100-99 BC Gas

Approved Market-Based Commodity Pricing for Interruptible Service, Rate Schedules 7 and 10, commencing November 1, 1999.

Directed BC Gas to restructure its Rate Schedule 10 so as to locate the point-of-sale at the inlet of the WEI system, similar to the structure of Rate Schedule 14.

Approved the Market-Based Commodity Pricing for Rate Schedule 14, as filed in the September 16, 1999 application, for the gas contract year commencing November 1, 1999, except that the Gas Management Fee will be $0.02 to $0.08/GJ, in addition to the cost to BC Gas of executing any price conversion arrangements for the customer. The Commission's approval of Rate Schedule 14 is conditional upon BC Gas recovering the cost of gas sold under this Rate Schedule.

Directed BC Gas to submit on a quarterly basis and within 60 days from the end of the calendar quarter, a report of all Rate Schedule 14 transactions.

G-101-99 Centra Gas BC

Established an ADR process for the review of Centra Gas' 1997 and 1998 Revenue Deficiencies and its 2000 to 2002 Revenue Requirements that will commence on December 7, 1999.

Order	Utility or Applicant(s)

G-102-99 B.C. Hydro

Approved an amendment to Electric Tariff Page B-36, relating to the calculation of the energy component for Special Contract customers and IPP customers in Rate Zone II, effective June 1, 1999.

G-103-99 B.C. Hydro

Approved the discontinuation of the Quarterly Report on Customer Complaints.

G-104-99 B.C. Hydro

Established filing dates for interested party written submissions and B.C. Hydro's written reply on the Price Dispatched Curtailment program review.

G-105-99 Centra Gas BC

Approved an increase in rates of between 8.59 and 8.73%to all Pioneer General Service customers, and of between 10.95 and 12.46% to all ACR-1 rates, effective November 1, 1999.

G-106-99 BC Gas

Established an Annual Review for BC Gas' 2000 Revenue Requirements material.

G-107-99 WKP

Established an ADR process for the review of WKP's 2000 to 2002 Preliminary Revenue Requirements materials.

G-108-99 BC Gas

Rescinded Order No. G-32-99 that gave interim approval to the proposed Rate Schedule 5 Tariff Supplement for the Greater Vancouver Regional District's wastewater treatment facilities at Annacis Island.

Approved the September 17, 1999 application and Rate Schedule 5 Tariff Supplement (amended) for the Greater Vancouver Regional District's wastewater treatment plant at Annacis Island, effective April 1, 1999.

G-109-99 B.C. Hydro

Approved an extension of the RTP Supplementary Agreement with a 50 percent CBL reduction for Quesnel River Pulp Company from August 2, 1999 to August 1, 2000.

Order	Utility or Applicant(s)

G-110-99 WKP

Approved amendments to Rate Schedule 50 - Street Lighting to include loading rates for recoveries of overheads consistent with other costing procedures used by WKP.

G-111-99 Squamish Gas

Approved an increase of 8.59 to 8.73% for General Service customers, and 10.95 to 12.46% for ACR-1 rates, effective November 1, 1999.

G-112-99 B.C. Hydro

Extended the filing deadlines for written submissions by interested parties to October 19, 1999, and for B.C. Hydro's written reply to October 21, 1999, pertaining to the Price Dispatched Curtailment Program review.

G-113-99 PLP

Established a workshop and pre-hearing conference for PLP's CPCN application to build a substation to connect to the B.C. Hydro system.

G-114-99 B.C. Hydro

Established a Transmission Locational Credits Application conference to discuss B.C. Hydro's Transmission Locational Credits Application.

G-115-99 B.C. Hydro

Adjourned the public hearing into the Price Dispatched Curtailment Program and approved Rate Schedule 1849 as a permanent rate schedule. Rescinded item 4 of Order No. G-91-99 prohibiting modifications to the existing Price Dispatched Curtailment Program.

G-116-99 Centra Gas BC

Approved an increase in natural gas rates to Pioneer General Service customers of between 2.21 and 2.47%, effective December 1, 1999.

G-117-99 B.C. Hydro

Approved the Time-of-Use Rate pilot program, identified as new Electric Tariff Rate Schedule 1267-General Service, for the period November 5, 1999 to March 31, 2001. The new rate will be offered to the first 500 customers who (i) apply for service prior to April 1, 2000,

ORDER **UTILITY OR APPLICANT(S)**

and (ii) are presently taking service under G-Service rate schedules at 35 kW and over, and (iii) execute a Time-of-Use Agreement with B.C. Hydro.

B.C. Hydro's Evaluation Report on the pilot program is to be filed by May 31, 2001.

G-118-99 WKP

Approved the amendment to the Demand Ratchet provisions for General Service, Wholesale and Transmission Rate Schedules 21, 30, 31, 40 and 41, subject to the provisions of WKP's November 1, 1999 mitigation proposal attached as Appendix A to the Order.

G-119-99 BC Gas

Approved the issuance of up to $500 million of Medium Term Note Debentures from time-to-time, effective November 10, 1999 to November 31, 2001. BC Gas is to file a pricing supplement for each Medium Term Note Debenture within one week of issuance.

G-120-99 B.C. Hydro

Cancelled the Transmission Locational Credits Conference scheduled for November 23, 1999 and allowed B.C. Hydro to withdraw its Application.

G-121-99 BC Gas

Approved the reduction of the Administrative Charge under Gas Transportation Service Rate Schedules 22, 22A, 22B, 23, 25 and 27 to $75/month, effective January 1, 2000. BC Gas is to file, by September 30, 2002, an updated comparison of the cost of administering transportation service to the revenue generated by the Administration Charge then in effect.

G-122-99 Squamish Gas

Approved an increase in natural gas rates, of between 2.21 and 2.47%, to General Service customers, effective December 1, 1999.

G-123-99 B.C. Hydro

Approved and accepted for filing Special Contract Tariff Supplements No. 49A, 49B, 49C and 49D with the Greater Vancouver Transportation Authority, for service at the Knight Street Bridge from four separate substation locations, effective April 1, 1999.

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G-124-99 B.C. Hydro

Approved the November 1, 1999 Supplementary Agreement with BC Rail Ltd., under RTP Rate Schedule 1848, for the Tumbler Ridge branch line with a 75% CBL reduction for the period November 1, 1999 to April 30, 2000.

G-125-99 WKP

Established a public hearing, to commence February 21, 2000 in Castlegar, B.C., to review WKP's 230 kV System Development Project, which is intended to improve reliability by upgrading and expanding its transmission system in the Kootenay Region.

G-126-99 Sun Rivers

Approved and accepted for filing the November 24, 1999 Natural Gas Tariff containing Definitions, Terms and Conditions, and Rates for Service, effective November 25, 1999.

G-127-99 Kanelk

Order and Reasons for Decision approving the disposal of utility assets in British Columbia and assign the associated CPCN to B.C. Hydro. B.C. Hydro was ordered to record the acquired Kanelk utility assets at their net book value.

G-128-99 B.C. Hydro

Approved Rate Zone II Special Contracts as follows:

- Tariff Supplement No. 45 with the Department of National Defence, Canadian Forces Station Leitrim, Detachment Masset, effective April 6, 1999; and
- Tariff Supplement No. 51 with Seacor Environmental Engineering Inc., effective August 17, 1999.

G-129-99 Centra Gas BC

Approved a ten-year lease with Westcoast Capital Corporation for the Port Mellon compressor equipment. Within six months of the end of the lease period, Centra Gas is to file a report justifying the decision at that time to either purchase the compressor, renew the lease, purchase or lease a different compressor, or have the leased compressor removed.

ORDER **UTILITY OR APPLICANT(S)**

G-130-99 PLP

Established a public hearing for February 8, 2000 for the review of PLP's CPCN application to construct and operate a substation 4 km north of Princeton and to connect to B.C. Hydro's transmission line.

G-131-99 Centra Gas BC

Approved an increase in rates to the Pioneer General Service customers of between 2.25 and 2.42%, effective January 1, 2000.

G-132-99 Squamish Gas

Approved an increase in rates to the General Service customers of between 2.25 and 2.42%, effective January 1, 2000.

G-133-99 BCUC

Canceled Order No. G-19-90 and established new CPCN application requirements pursuant to Sections 45 and 46 of the Act.

G-134-99 WKP

Approved the Negotiated Settlement into WKP's 2000-2002 Preliminary Revenue Requirements and the 1998 and 1999 Revenue Requirement adjustments. WKP filed its Final Rate Application on December 23, 1999, which was subsequently approved by Order No. G-142-99, effective January 1, 2000.

G-135-99 BC Gas

Approved changes to Gas Tariff Rate Schedules to reflect the following rate changes for the Lower Mainland, Inland and Columbia Divisions, effective January 1, 2000:

- the December 3, 1999 Revenue Requirements Application, as adjusted for a two-year amortization of the Gas Cost Reconciliation Account (Tab 4);
- refinement to the Category A Capital Incentive Mechanism as filed November 18, 1999, for mains and service lines only; and
- gas cost recovery charges calculated using the Low Case gas cost forecast scenario, as set out in the December 14, 1999 Cost of Gas Application, except that the Gas Cost Reconciliation Account Riders will be recalculated so as to recover in 2000 one-half of the Gas Cost Reconciliation Account debit balance at the end of 1999.

A Core Market Administration Costs budget of $1,546,000 was approved for 2000. BC Gas is to file an updated Price Risk Management Plan by January 25, 2000.

G-136-99 Centra Gas BC

Approved:

- New Customer Rates as set out in the November 4, 1999 New Customer Rate and Pass-through Applications, including a cost of gas pass-through Rider C of $0.715/GJ on sales to all New Customers, effective January 1, 2000.
- New Customer Rate Balancing Account as a notional account pursuant to the Special Direction, for the purpose of establishing and tracking New Customer Pass-through Costs that relate to cost of gas and the revenue generated by Rider C. No financing charges are to be recorded in this account. Centra Gas is to track pass-through costs that do not relate to gas costs, such as School Board taxes, in this account.

Centra Gas is to file the actual gas pass-through cost balance in the New Customer Rate Balancing Account at the end of 1999, and to confirm with Commission staff that the detailed calculation of the balance conforms to the Special Direction, by August 1, 2000.

G-137-99 PNG

Approved an interim rate increase on the 2000 Revenue Requirement Application, effective January 1, 2000, subject to refund with interest to recover a projected revenue deficiency of $3,378,000. Also approved an interim rate increase subject to refund with interest, to recover gas supply charges and gas cost rate riders, effective January 1, 2000.

The review process for the 2000 Revenue Requirement Application was subsequently established by Order No. G-2-00.

G-138-99 BC Gas - Fort Nelson Division

Approved an increase in customer rates of $0.817/GJ, effective January 1, 2000. The difference between the rate recovered from customers and the actual commodity cost of gas purchased from the CanWest Gas Supply Inc. con-

tract, is to accumulate in the Fort Nelson Gas Cost Reconciliation Account, with the resulting debit balance at the end of 2000 to be offset, to the extent possible, against the credit balance in the Deferred Income Tax Account.

Approved a deferral account for Rate Schedule 25 Transportation Service customers to accumulate the refund Deferred Income Tax credits that are applicable to such customers.

BC Gas is to file a detailed breakdown, by rate class, of the amounts that were recovered, deferred and offset against the Deferred Income Tax Account balance in 1999 and 2000 when it files its Gas Cost Reconciliation Account Status Report as of the end of 2000.

G-139-99 PNG (N.E.)

Approved an interim rate increase on the 2000 Revenue Requirement Application, subject to refund with interest, to recover from Fort St. John and Dawson Creek customers a projected revenue deficiency of $663,000, effective January 1, 2000.

Approved an interim rate increase, subject to refund with interest, to recover gas supply charges and gas cost rate riders, effective January 1, 2000.

A pre-hearing conference for the 2000 Revenue Requirement Application was subsequently established by Order No. G-2-00.

G-140-99 BC Gas

Approved Gas Cost Reconciliation Account Riders for Rate Schedules 7, 23, 25 and 27, effective January 1, 2000. The Riders will apply to customers who switch to these rate schedules from firm system sales on or after January 1, 2000.

Approved the pass-through of gas commodity costs to Squamish Gas Co. Ltd.

ORDER UTILITY OR APPLICANT(S)

G-141-99 B.C. Hydro

Approved the Transmission Service Time-of-Use Pilot Program covering the period January 1, 2000 to March 31, 2001, and identified as Rate Schedule 1850, Transmission Service Time-of-Use ("TOU") Pilot Program. Customers applying for service under the pilot program must enter into a TOU Transmission Agreement with B.C. Hydro, identified as Tariff Supplement No. 52.

Approved changes to Rate Schedule 1880 to make it available to Rate Schedule 1850 customers as well as Rate Schedule 1821 or Rate Schedule 1848 customers.

An interim evaluation report on the Transmission Service Time-of-Use Pilot Program is to be filed September 15, 2000. A final evaluation of the program that includes responses to the questions attached as Appendix A to this Order, is to be filed by May 31, 2001.

G-142-99 WKP

Approved WKP's Final Rate Application for a General Rate increase of 4.9% for all customer classes, effective January 1, 2000, pursuant to Order No. G-134-99.

G-143-99 BC Gas

Approved the sale and disposition of the Natural Gas Vehicle ("NGV") compression and dispensing equipment to 4Pro Systems Inc. and the City of Surrey, and the transfer to 4Pro Systems Inc. of BC Gas' interest in the NGV Service Agreements with respect to the business of NGV compression and dispensing service, effective January 1, 2000, pursuant to Section 52 of the Act.

APPENDIX 11
CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

ORDER **UTILITY OR APPLICANT(S)**

C-1-99 BC Gas

Approved the construction of the Fraser River Crossing Project with cost estimates ranging from $5.9 to $7.1 million. BC Gas is to file with the Commission, prior to the start of construction, an updated cost estimate incorporating the contractor bid selected for the directional drill portion of the work and to provide the Commission with monthly progress reports commencing January 1999.

C-3-99 WKP

Approved the Life Extension Project to Unit No. 3 of the Corra Linn Generating Plant for a total estimated cost of $7,700,000. WKP is to file a final project report and cost summary on completion of the Project.

C-2-99 WKP

Approved the 1999 costs, in the amount of $1,889,000, associated with Phase 3 of the Ohio Brass Insulator Replacement Project. WKP is to file a final report on the 1999 component of the Project within three months of its completion.

C-4-99 B.C. Hydro

Approved the addition of a 230 kV transformer and related equipment at the Strawberry Hill Substation. B.C. Hydro will file a final report, including construction cost information for the project, within six months of its completion.

C-5-99 Sun Rivers

Conditional CPCN issued for the construction and operation of an Electrical Distribution Utility on Lot 152, CLSR Plan 78619 Kamloops I.R. No. 1, a description of which was attached as Appendix A.

Sun Rivers will construct, operate and maintain the electrical facilities to the standards of B.C. Hydro or other standards approved by the Commission. Prior to the energizing of the line, Sun Rivers shall furnish the

ORDER **UTILITY OR APPLICANT(S)**

Commission with the approval of the Provincial Electrical Inspector and a letter of assurance from a qualified Professional Engineer as to the standards of final construction.

The form of regulation of the Utility will be determined by subsequent Commission Order.

C-6-99 WKP

Approved the upgrade of the Powerhouse Crane at the Corra Linn generating station for an estimated cost of $390,000.

C-7-99 BC Gas

CPCN for the Customer Information Systems Project - Program Mercury with estimated project costs of $33.2 million. Quarterly updates on the project are to be filed with the Commission.

C-8-99 WKP

CPCN to reinforce and reconductor the distribution facilities to service the Big White Ski Resort near Kelowna at an estimated cost of $1,523,000.

C-9-99 BC Gas

Approved the Standard Form Franchise Agreement with the City of Trail for a ten-year Primary Term commencing January 21, 1999.

C-10-99 Centra Gas BC

Approved the February 11, 1999 Agreement with the District of Saanich for the 21-year period commencing November 26, 1998 and terminating November 26, 2019.

C-11-99 BC Gas

CPCN for the construction and operation of the SCP project. The Commission's Decision was issued concurrently with the Order.

ORDER UTILITY OR APPLICANT(S)

The Commission accepted for filing:

- Peaking Gas Purchase Agreement with B.C. Hydro
- Peaking Gas Purchase Agreement with PG&E Energy Trading
- Transportation South Capacity Agreement with B.C. Hydro

And approved the following:

- Firm Tendered Transportation Service Agreement with B.C. Hydro
- Firm Tendered Transportation Service Agreement with PG&E Energy Trading

C-12-99 Centra Whistler

CPCN for the purchase, installation and operation of five additional propane storage tanks at the Nesters site in Whistler, B.C.

C-13-99 WKP

Approved the access road improvements at the Corra Linn Generating Plant for a total estimated cost of $397,000. A final project report and cost summary will be filed upon project completion.

C-14-99 BC Gas

CPCN for the construction and operation of a compressor station at the proposed site in Langley. Quarterly progress reports will be filed commencing with the third quarter of 1999 with a final report on project completion.

C-15-99 BC Gas

CPCN for the Integrated Resource Management project that will provide automated scheduling and dispatch capacity, using wireless communications and mobile data equipment, for the management of resources (people, equipment and materials), and work in the Distribution Services unit. Estimated cost of the project is approximately $5.6 million. Project to be fully implemented by 2001. A project report will be filed upon completion of Phase 1 (approximately mid 2000) with a final report on project completion. Commission will review costs with respect to capital costs, overhead allocation and any cost over-runs in order to determine eligibility for rate base treatment.

ORDER UTILITY OR APPLICANT(S)

C-16-99 WKP

Issued a CPCN for the purchase of the SPL Worldgroup Customer Information System Plus estimated at $2.3 million. The final project cost report will be reviewed with respect to capital costs, overhead allocation and any cost over-runs in order to determine eligibility for rate base treatment.

C-17-99 Central Whistler

Cancelled CPCN Order No. C-12-99 and approved the construction and operation of the facilities covered by the 1999 Propane System Expansion Plan, including the expansion of the distribution system, five additional propane storage tanks at the Nesters site and the Safety Improvements at the two storage sites and the rail offloading site, for a total estimated cost of $2.123 million.

Approved the recording of the capital costs of the Safety Improvements and the other components of the Plan in a non-rate base, interest bearing deferral account, to be reviewed to determine eligibility for rate base treatment.

C-18-99 Sun Rivers

Approved the construction and operation of a gas distribution utility on Kamloops Indian Band Lot 152, CLSR Plan 78619 Kamloops I.R. No. 1.

C-19-99 WKP

Approved WKP's acquisition of a statutory right-of-way from Canadian National Railway at a cost of $396,000, plus an estimated $29,000 in transaction fees, for a section of its 138 kV transmission line that follows the railway corridor between Richter Street and Spall Road in the City of Kelowna.

APPENDIX 12
OTHER COMMISSION ORDERS

AGENTS/BROKERS/MARKETERS LICENCES

ORDER	APPLICANT	DECSCRIPTION
A-1-99	Aquila	A/B/M Licence - Rescinded (Refer to A-2-99)
A-2-99	Aquila	A/B/M Licence for the period up to an including October 31, 1999, and restricted to activities involving the customers of BC Gas
A-3-99	El Paso	Transfer of A/B/M Licence from El Paso to ECNG Inc.
A-4-99	Aquila	Renewal of A/B/M Licence for the period November 1, 1999 through October 31, 2000

ENERGY SUPPLY CONTRACTS

ORDER	APPLICANT	DECSCRIPTION
E-1-99	BC Gas	Natural Gas Storage Agreement with Amoco Canada Petroleum Company for the term April 1, 1999 to March 31, 2000
E-2-99	BC Gas	Natural Gas Storage Agreement with Unocal Canada Limited for the 1999/2000 storage contract year
E-3-99	BC Gas	Propane Gas Supply Contract with Link Petroleum Services Ltd.
E-4-99	BC Gas	Natural Gas Storage Agreements with Unocal Canada Ltd., Cabot Oil and Gas Marketing Corp. and Avista Corporation
E-5-99	PNG	Supply and Peaking Agreements with Dynegy Canada Marketing and Trade
E-6-99	Centra Gas BC	Amendment to Baseload Natural Gas Supply Contract with Talisman Energy Inc.
E-7-99	Centra Gas BC	Winter Seasonal Natural Gas Supply Agreements with PG&E Energy Trading Canada Corp., Enron Canada Capital and Trade Resources Canada Corp., Engage Energy Canada L.P., and Duke Energy Trading and Marketing, L.L.C.
E-8-99	Centra Gas BC	Confirmation Agreement with PG&E Energy Trading, Canada Corporation for additional baseload gas
E-9-99	Centra Gas BC	Baseload Natural Gas Supply Agreements for the 1999/2000 Gas Contract Year
E-10-99	BC Gas	Natural Gas Supply Contracts and Amendments for the 1999/2000 Gas Contract Year
E-11-99	BC Gas	1999/2000 Gas Supply Contract with CanWest Gas Supply Inc. for the Fort Nelson Division
E-12-99	WKP	Power Purchase Agreement with Aquila Power Corporation

Participant Assistance/Cost Awards

Order	Utility/ Payor	Decscription
F-1-99	WKP	1998 Annual Review and 1999 Revenue Requirement and Incentive Mechanism Review - $3,252.11
F-2-99	WKP	1998 Annual Review and 1999 Revenue Requirement and Incentive Mechanism Review - $20,554.21
F-3-99	WKP	1998 Transmission Access Application - $40,672.46
F-4-99	WKP	1998 Access Principles Application - $39,355.51
F-5-99	PNG, PNG (N.E.) and Centra Gas FSJ	1999 Revenue Requirements - $4,168.17
F-6-99	BC Gas	Southern Crossing Pipeline Project - $62,959.69
F-7-99	PNG, PNG (N.E.) and Centra Gas FSJ	1999 Cost of Service Allocation/Rate Design Study - $22,493.39
F-8-99	PNG, PNG (N.E.) and Centra Gas FSJ	1999 Rate Increases - $900.56
F-9-99	BC Gas	Southern Crossing Pipeline Project - Denied Funding
F-10-99	B.C. Hydro	Bypass Rate Guidelines - $4,108.40
F-11-99	BC Gas, WKP, PNG	Return on Common Equity for a Low-Risk Benchmark Utility - $108,347.51

Petroleum

Order	Applicant	Decscription
P-1-99	Federated	Taylor to Kamloops Crude Oil Pipeline Tolls
P-2-99	TME	1999 Jet Fuel Pipeline Tolls
P-3-99	Federated	Revised Rules and Regulations of the Crude Petroleum Tariff on the Taylor to Kamloops Pipeline
P-4-99	Federated	Sunset Prairie Pipeline Toll - Tariff No. S-03

APPENDIX 13
COMMISSION LETTERS

Leter No. Utility or Applicant

L-1-99 WKP

Approved an extension to the filing date of the Transmission Line No. 49 Final Report to January 29, 1999.

L-2-99 City of Kelowna

Denied the City's request for interim rates regarding WKP's Street Lighting Application. WKP was directed to proceed with the normal maintenance on street lights pending completion of the written hearing.

L-3-99 BC Gas

Denied an application to record an additional $1.25 million of expenditures in the SCP and Integrated Resource Planning Expenditures Deferral Account.

L-4-99 British Columbia Public Interest Advocacy Centre

Denied an application for a two week adjournment of the BC Gas SCP public hearing. Letter established the Panel members to hear the SCP Application.

L-5-99 BC Gas

Confirmed the Panel hearing the BC Gas SCP application. Denied an application by workshop participants to vary the timing deadlines set out in Order No. G-121-98.

L-6-99 B.C. Hydro

Established a March 11, 1999 workshop to review B.C. Hydro's Real Time Pricing Program.

L-7-99 WKP

Approved a variance to Order No. G-28-80 to consolidate the reporting of information for Accounts No. 365 Conductors and Devices and No. 367 Underground Conductors and Devices into one account; Account No. 365 - Conductors and Devices.

Leter No. Utility or Applicant

L-8-99 All Utilities

Requested the utilities to file an update to the Y2K reports filed in response to Letter No. L-22-98. Utilities with subsidiaries were asked to confirm whether the report originally filed encompassed the subsidiaries. Utilities who had not previously filed, were requested to file a report by March 15, 1999.

L-9-99 WKP

Approved in principle the following financing options for WKP:

- $20 million Term Loan with the Bank of Montreal to redeem the Term Loan;
- $30 million Short-Term Operating Facility from UtiliCorp British Columbia Ltd. to replace the UtiliCorp British Columbia Operating Facility;
- $50 million 5-year Term Loan to finance the above redemptions; and
- $20 million Operating Loan Facility to reduce the authorized amount of the Operating Loan Facility to $10 million.

WKP is to apply for final approval of the financing options once approval has been given by the WKP Board of Directors.

L-10-99 WKP

Accepted WKP's Final Report on Transmission Line No. 49 and, in particular, accepted that the costs were prudently incurred.

L-11-99 Sun Rivers

Directed B.C. Hydro and Sun Rivers to make every effort to reach a mutually acceptable resolution, before March 10, 1999, for electricity supply to the Sun Rivers development. In the event that a resolution was not possible the parties were to make submissions to the Commission on the following issues:

Leter No.	Utility or Applicant

- Merits of issuing a CPCN to Sun Rivers as an electricity utility within the boundaries of the development; and
- Obligation of B.C. Hydro to sell electricity to the Sun Riv[illegible] utility and the appropriate rate if an obligation exists.

L-12-99 BC Gas

Directed BC Gas to file a report examining its billing program and covering, as a minimum, the estimating features of the program.

L-13-99 Methanex Corporation

Advised Methanex that its application for a 50% CBL reduction did not currently meet the requirements of Rate Schedule 1848 as Methanex had not demonstrated a reasonable case for either load retention or economic development purposes.

L-14-99 Centra Gas BC

Approved an amendment to the 1998/99 Gas Contracting Plan and an increase in the target price for the April to October 1999 hedging program.

L-15-99 Squamish Gas

Advised that the 1996 and 1997 actual results were reasonable and in accordance with Section 3 of the Squamish Rate Stabilization Account and the April 1997 Settlement Agreement. The actual 1998 results will be reviewed when Squamish Gas files its 1998 Annual Report to the Commission.

L-16-99 BC Gas

Amended the direction contained in Letter No. L-79-98. BC Gas is now required to file a "bundled" pro-forma ABC-T Service Tariff and is to include, to the extent that it is possible to do so, an "unbundled" pro-forma ABC-T Service Tariff.

Directed BC Gas to establish a "working group" to develop a report that establishes guidelines, principles and an implementation plan.

Leter No.	Utility or Applicant

L-17-99 BC Gas

Advised Counsel for the Greater Vancouver Regional District, that the GVRD's written offer to BC Gas regarding Rate Schedule 5 Tariff Supplement is required by April 16, 1999. A copy of Order No. G-32-99 approving, on an interim basis, BC Gas' application to charge the GVRD according to Rate Schedule 5 and a Tariff Supplement was enclosed.

L-18-99 BC Gas

Letter supporting BC Gas' proposal to submit a bid on the Western Gas Resources' capacity at Jackson Prairie Storage. Approved BC Gas' request that the documents justifying the proposal be kept confidential.

L-19-99 HVES

Advised a customer of the utility that HVES had acted in accordance with its filed Tariff regarding the application of payments made among the customer's various utility accounts (sewer, water, electricity) and the customer's subsequent disconnection of electricity service for non-payment of account.

L-20-99 B.C. Hydro

Denied B.C. Hydro's request for interim approval of the Bypass Rate Guidelines.

L-21-99 WKP

Letter notifying WKP of an error in the Commission's calculation relating to the funding award for the Association for the Advancement of Sustainable Energy Policy.

L-22-99 BC Gas

Denied BC Gas' request for a deferral account in which to record expenditures up to $1,225,000 related to its proposed Fraser Valley compressor station. The Commission determined that the review of the need for the project and the expected expenditures are best done in the context of a CPCN application.

L-23-99 BC Gas

Acknowledged letter reporting on the four pricing options for the Revelstoke Propane Agreement with Link Petroleum Services Ltd. for 1999/00 and advised that the selection of a 100% variable with price cap option would be reviewed by the Commission.

Leter No.	Utility or Applicant

L-24-99 Sun Rivers

Confirmed that the requirements contained in Direction No. 1 of Order No. C-5-99 had been met. Advised Sun Rivers that a formal application with reasons, requesting an exemption from regulation under the Act is required.

L-25-99 BC Gas

Letter accepting an updated cost estimate for the Coastal Facilities Project. A further update to the cost estimate and project schedule, and a summary of the cost incentive mechanism is to be filed by September 30, 1999.

L-26-99 BC Gas

Suspended the direction contained in Letter No. L-16-99 requiring BC Gas to file a load-shaped proforma ABC-T service tariff. A report regarding the development of the unbundled tariff was also required to be filed.

L-27-99 WKP

Denied request for funding under Section 118 for the Settlement Agreement Revision Group. WKP may defray the costs of participation for certain stakeholders if required. A cap of $50,000 was established and the recovery of actual costs is subject to the Commission finding value in the report and prudence in the expenses funded. WKP is to file an interim report on the Working group's activities.

L-28-99 WKP

Determined that the 20-Year Transmission System Plan, the Okanagan Region 1998 Distribution 5-Year Plan and the Kootenay Region 1998 Distribution 5-Year Plan provide the basis for WKP to apply for CPCNs for specific projects as and when required.

L-29-99 BC Gas

Accepted the 1999/00 Gas Supply Annual Contracting Plan subject to the comments contained in the Commission's letter and on the understanding that all individual supply contracts and amendments will continue to be filed in a timely fashion pursuant to Section 71 of the Act. Except for the Executive Summary, the 1999/00 Gas Contracting Plan was accepted on a confidential basis as it contained commercially sensitive information related to individual energy supply contracts.

Leter No.	Utility or Applicant

L-30-99 Centra Gas BC

Accepted the 1999/00 Gas Contracting Plan and Price Management Program subject to the comments contained in the Commission's letter and on the understanding that all individual supply contracts and amendments will continue to be filed in a timely fashion pursuant to Section 71 of the Act. The 1999/00 Gas Contracting Plan and Price Management Program were accepted on a confidential basis, as they contained commercially sensitive information related to individual energy supply contracts.

L-31-99 BC Gas

Letter advising that the Commission would be prepared to approve the Bypass Transportation Agreement with B.C. Hydro provided BC Gas re-filed the Agreement in tariff supplement format, and that amendments would be made making the rates under the Agreement effective November 1, 1999 and limiting B.C. Hydro's ability to extend the Agreement to one 10-year extension.

L-32-99 BC Gas

Letter stating that the Commission would be prepared to issue a CPCN for the Fraser Valley Compressor Station Project provided that BC Gas re-filed the Bypass Transportation Agreement as specified in Letter No. L-31-99. A copy of the Agricultural Land Commission's approval of the station as a "special case use" was requested.

L-33-99 Sun Rivers

Denied the application for exemption from regulation under the Act.

L-34-99 WKP

Approved a variance from the Uniform System of Accounts for Electrical Utilities concerning specific Operation and Maintenance Accounts.

L-35-99 BC Gas

Accepted the following revisions to the Gas Price Management Strategy (summer 1999, winter 1999/2000 and summer 2000) approved under Letter No. L-84-98.

- An increase in the amount of Station #2 pricing and the use of Station #2/AECO or Station #2/Sumas bases for both winter 1999/2000 and summer 2000.

Leter No. Utility or Applicant

- The addition of a Stanfield monthly index for winter 1999/2000; this will displace Huntingdon sourced supply.

L-36-99 ARA Holdings Ltd./ Sunny View Developments Co. Ltd.

Denied the application for cost award, under Section 118, with respect to their application concerning an order for WKP to remove a distribution line across their property.

L-37-99 PNG

Accepted PNG's 1999/00 Gas Contracting Plan subject to specific directions contained in the Commission's letter.

L-38-99 B.C. Hydro

Confirmed resolution of the Duke Solutions' complaint regarding B.C. Hydro's Provincial Building Initiative program and directed B.C. Hydro to file a Provincial Building Initiative pilot program report within 90 days of the completion of the pilot phase.

L-39-99 BC Gas

Letter requesting BC Gas to provide the following information pertaining to the Equal Payment Plan ("EPP"):

- Calculation of the EPP installment increases that customers will face for 1999/2000 over 1998/1999, due to approved and forecasted rate changes as well as any changes due to gas consumption patterns.
- Information sheet, in question and answer form, regarding the EPP and the increase in EPP installments for 1999/2000.
- Proposed customer communications regarding EPP installment increases for 1999/2000.
- Amendments, if any, needed to clarify the wording of Gas Tariff subsections 20.3 and 20.4 of the General Terms and Conditions.

L-40-99 PNG

Approved the 1999/2000 Gas Supply Risk Management Plan for the gas contract year commencing November 1, 1999.

Leter No. Utility or Applicant

L-41-99 WKP

Declined WKP's application to amend Rate Schedule 50 - Lighting.

L-42-99 B.C. Hydro

Deferred further consideration of a complaint and a request for a High Load Factor Electricity Tariff made by CXY Chemicals Canada Limited Partnership pending the resolution of the jurisdictional issues to be addressed during Phase 1 of the Price Dispatched Curtailment public hearing set down by Order No. G-91-99.

L-43-99 B.C. Hydro

Approved and accepted for filing the Diesel Generation Costs covering the period July 1, 1999 to June 30, 2000, and adjusted the rates for the following:

Electric Tariff Supplement No. 7 - Interruptible Electricity Supply Agreement with Central Coast Power Corporation at an energy charge of 15.38 cents per kWh; and

Electric Tariff Supplement No. 8 - Interruptible Electricity Supply Agreement with Queen Charlotte Power Corporation at an energy charge of 14.54 cents per kWh.

L-44-99 BC Gas

Declined to approve the revised cost estimate for the Fraser River Crossing Construction Project. The Commission indicated that the project should continue but that the costs would be subject to a prudency review upon project completion.

L-45-99 BC Gas

Accepted the Gas Cost Reconciliation Account report for January through December 1998.

L-46-99 Centra Gas BC

Accepted the Final Progress Report for the Coquitlam Third Compressor Unit project. The project was completed $2.353 million below the budget estimate.

L-47-99 BC Gas

Accepted BC Gas' proposal to renew the Transportation South Service with WEI, effective November 1, 2000.

Leter No.	Utility or Applicant

L-48-99 B.C. Hydro

Letter seeking comments from interested parties on B.C. Hydro's May 4, 1999 Application for Transmission Locational Credits.

L-49-99 B.C. Hydro

Letter seeking comments from the Independent Power Association of B.C. on B.C. Hydro's May 4, 1999 Application for Transmission Locational Credits.

L-50-99 B.C. Hydro

Letter to registered intervenors and interested parties providing further clarification on the Commission's September 3, 1999 Bypass Rate Guidelines Decision and Attachment A.

L-51-99 WKP

Advised WKP that the Commission is satisfied that the utility is taking appropriate steps in the short-term to reduce the reoccurrence of system power surges. The long-term solutions, as proposed in WKP's August 27, 1999 Over Voltage Incidents Report, will be examined as part of the Commission's review of applications for approvals to build the various line segments associated with system reliability improvements and outlined in WKP's 20-year System Plans. WKP is required to ensure that the existence of its compensation program for damages to customer equipment resulting from the power surges is communicated to all customers who might have been affected by these surges.

L-52-99 Centra Gas BC

Accepted Centra Gas' proposal to renew its Transportation South Service with WEI.

L-53-99 BCUC

Established a written review of the Commission's Negotiated Settlement Procedures ("NSP") Guidelines. Comments on the NSP Guidelines were to be filed by December 15, 1999, with reply comments filed by January 21, 2000.

Leter No.	Utility or Applicant

L-54-99 Kanelk

The Commission determined that an oral hearing would not be required and directed Kanelk to respond to Fording's September 29, 1999 proposal. Intervenors were invited to make further submissions on the Application to Dispose of Utility Assets. Kanelk was to file its reply submission by November 19, 1999.

L-55-99 WKP

Accepted WKP's Code of Conduct for Operations filed in accordance with the Transmission Access Decision dated March 10, 1999.

L-56-99 WKP

Approved the July 9, 1999 Letter Agreement with Aquila concerning the marketing of surplus power filed in accordance with the Transmission Access Decision dated March 10, 1999.

L-57-99 BC Gas

Accepted the initial Project Status Report covering the period up to the end of August 1999 for both the Southern Crossing Pipeline and Fraser Valley Compressor Station Projects. Additional information and documentation was requested to be included in future reports.

L-58-99 BC Gas

Accepted the September 1999 Project Progress Report for the Fraser River Crossing Project. Additional information was requested to be included in future reports.

L-59-99 BC Gas

Directed BC Gas to not proceed with the proposed unbundled Agency, Billing, and Collection Transportation service tariff pilot program for the Interior. The Commission will conduct a survey prior to March 2000 to determine if there is a sufficient level of interest to establish a process for advancing the implementation of an ABC-T service tariff.

L-60-99 BC Gas

Approved the suspension of the Monthly Reference Price Calculation until such time as new buy/sell contracts have been entered into or the program is terminated.

Letter No. Utility or Applicant

L-61-99 B.C. Hydro

Established a workshop to discuss the process for the potential development and implementation of new B.C. Hydro Industrial Service options.

L-62-99 Return on Common Equity

Letter to BC Gas, PNG and WKP setting the appropriate rate of return on common equity, for a low-risk benchmark utility in the year 2000, at 9.5%.

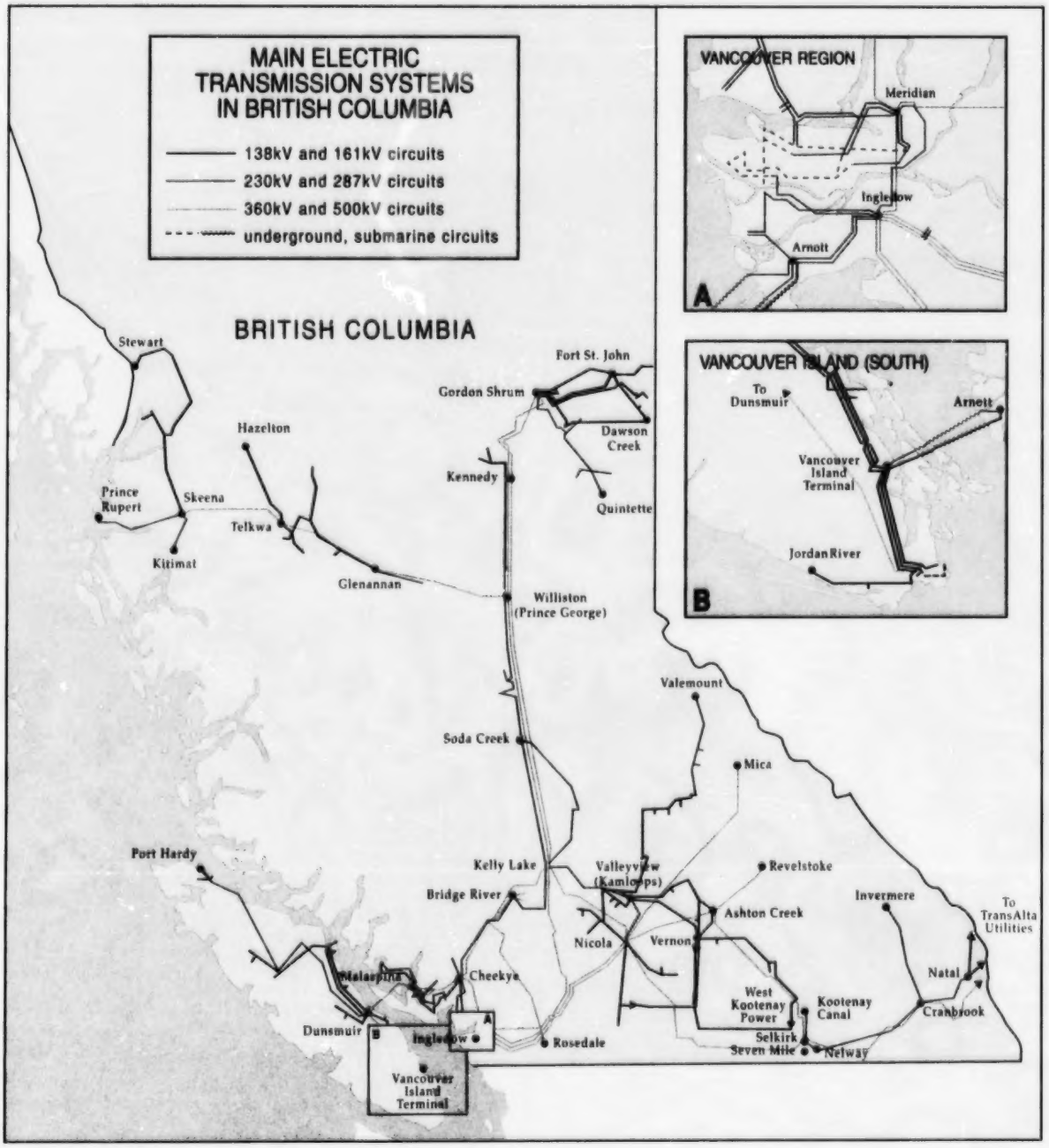
L-63-99 Centra Gas BC

Approved the suspension of the calculation of the Buy/Sell Reference Price Factors, effective November 1, 1999, until such time as new contracts are entered into.

L-64-99 HVES

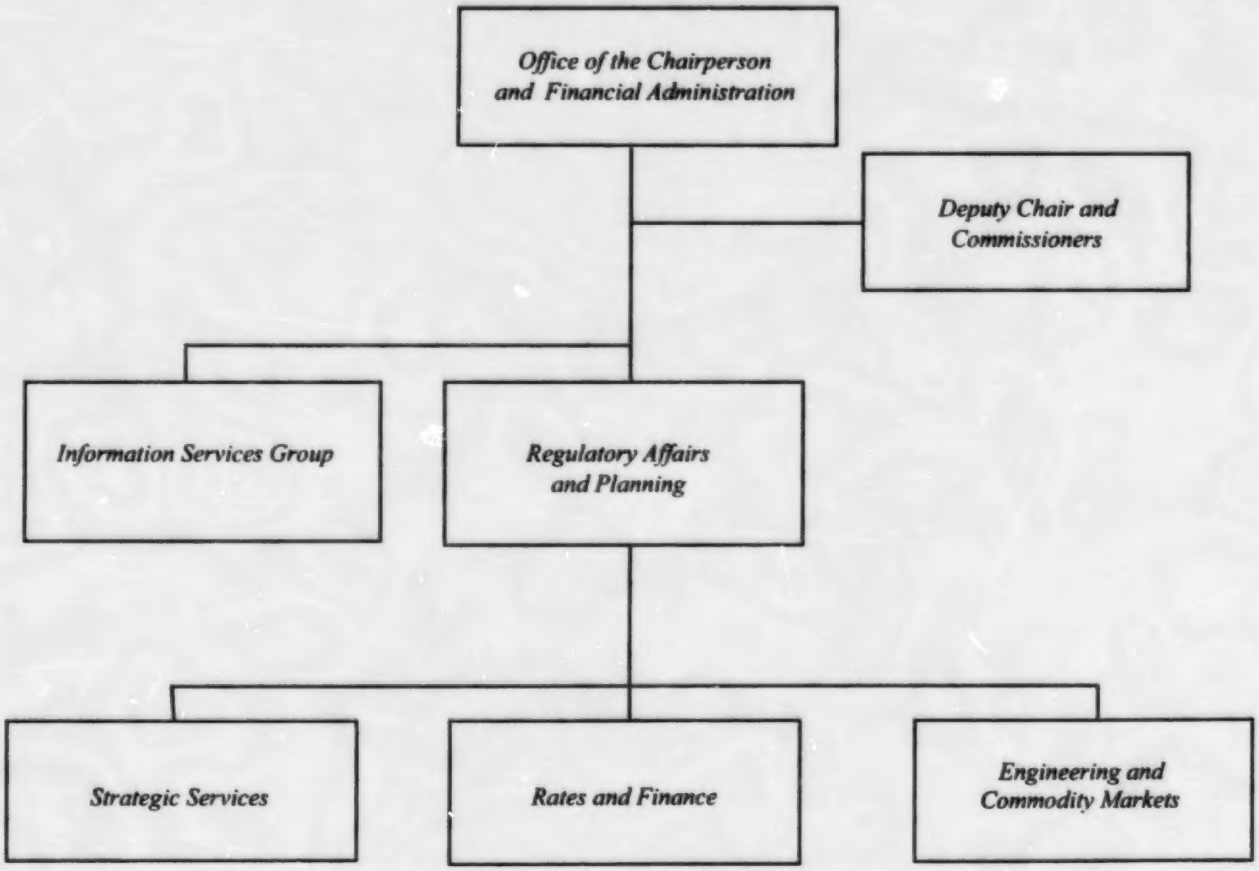
Letter regarding a complaint from the owners of a Strata Corporation concerning the billing of minimum charges to the complex. Upon review, the Commission concluded that the HVES tariff provision on minimum charges applied to the number of physical "contact" points to the residential dwellings, and therefore only one minimum charge was to be collected. Any overcharging should be refunded to the Strata Corporation. HVES was invited to propose more explicit wording for the tariff, limiting charges to each service and meter.

APPENDIX 14
MAIN ELECTRIC TRANSMISSION AND POWER GENERATING FACILITIES



APPENDIX
NATURAL GAS AND GAS LIQUIDS UTILITIES

APPENDIX 16
ORGANIZATION CHART



APPENDIX 17
COMMISSIONERS

Peter Ostergaard, Chair

Queen's University, 1973 [B.A. (Honours) Geography and Economics]; University of British Columbia, 1976 (M.A.); Member, Canadian Institute of Planners; 1990-96 Assistant Deputy Minister, Energy Resources Division, Ministry of Energy, Mines and Petroleum Resources; 1996-97 Assistant Deputy Minister, Energy and Minerals Division, Ministry of Employment and Investment; January, 1998 appointed Chair of the B.C. Utilities Commission; January 1999 reappointed Chair of the Commission for a three-year term.

Lorna R. Barr, Deputy Chair

University of London (B.Sc. Honours Geography minor, Geology); University of Victoria (M.A. Geography specializing in Resource Management); prior to 1992 positions held encompassed lecturing at colleges and universities, Britain, Australia, Canada (1967-76); planning (1976-80); public consultation and regulation in the energy sector (1981-87); and tribunal work (1987-92). August, 1992 appointed Deputy Chair of the B.C. Utilities Commission.

Frank C. Leighton, Temporary Commissioner

University of London, England (B.Sc. Eng.), Professional Engineer, employed by Swan Wooster Engineering Companies in Vancouver (1951-84) as Project Manager, Vice-President of Planning, President of Swan Wooster International, and Vice-Chairman of Swan Wooster Engineering; private practice; appointed July, 1987.

Kenneth L. Hall, Temporary Commissioner

University of Saskatchewan (B.E.), Professional Engineer, Trans Mountain Pipe Line Company (30 years) retired 1983 as President, C.E.O. and Chairman of the Board, Honorary Life Member Canadian Petroleum Association; appointed December, 1989.

Paul G. Bradley, Temporary Commissioner

Cornell University, 1956 (B. Chemical Engineering); Massachusetts Institute of Technology, 1966 (Ph.D. Economics); Postdoctoral Fellow, Sloan School of Management, MIT (1969-70); Visiting Scholar, Centre for Energy Policy Research, MIT (1978-79); Director, Mineral Revenues Inquiry, State of Western Australia (1984-86); Resident Consultant, Dept. of Energy, Mines & Resources, Ottawa (1987), Professor Emeritus, University of British Columbia (1965-96); appointed September, 1992.

Barbara L. Clemenhagen, Temporary Commissioner

University of Victoria, 1994 (B.Com.), a principal at Koi Strategies Company, and former marketing/operations manager and consultant for Willis Energy Services Ltd.(1996-98).

APPENDIX 18
COMMISSION STAFF

Office of the Chair and Financial Administration

Marilyn E. Donn	Assistant to the Chair and Deputy Chair/Manager, Financial Administration
Sandra S. Clark	Financial Assistant/Stenographer

Commission Secretary's Office and Information Services Group

Robert J. Pellatt	Commission Secretary
Constance M. Smith	Assistant Commission Secretary/Administrator, Computer Services
Alison H. Cormack	Information Services Officer
Debra L. Frank	Stenographer
Lisa D. Morris	Stenographer
Yvonne M. Lapierre	Stenographer/Receptionist

Regulatory Affairs and Planning

William J. Grant	Executive Director
Margaret M. McDermott	Stenographer

Strategic Services

Deborah W. Emes	Manager
James W. Fraser	Senior Economist
Cameron B. Lusztig	Energy Utility Economist

Rates and Finance

Barry McKinlay	Manager
John J. Hague	Senior Financial Analyst
Philip W. Nakoneshny	Senior Financial Analyst

Engineering and Commodity Markets

J. Brian Williston	Manager
Robert W. Rerie	Senior Electrical Engineer
Robert N. Brownell	Senior Commodities Analyst